

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING SEPTEMBER 1, 2022**

CASE NO. 22995

Crocubot Fed 26 211H, 231H, and 232H 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
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 22995

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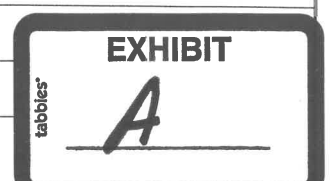
- Exhibit B.1: Application
- Exhibit B.2: C-102s
- Exhibit B.3: Lease Tract Map/Summary of Interests/Pooled Parties
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- Exhibit C.6: Stratigraphic Cross Section w/ Cross-Section Reference Map

COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

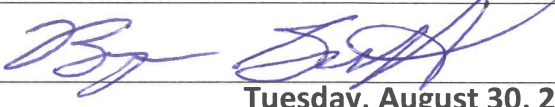
Case: 22995	APPLICANT'S RESPONSE
Date: September 1, 2022	
Applicant	Novo Oil & Gas Northern Delaware, LLC
Designated Operator & OGRID (affiliation if applicable)	Novo Oil & Gas Northern Delaware, LLC (372920)
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris & Sisk, P.A. (Earl E. DeBrine, Jr., Deana M. Bennett, and Bryce H. Smith)
Case Title:	Application of Novo Oil & Gas Northern Delaware, LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	MRC Delaware Resources, LLC Michael H. Feldewert Adam G. Rankin Julia Broggi Paula M. Vance HOLLAND & HART, LLP Post Office Box 2208 Santa Fe, New Mexico 87504 TEL: (505) 988-4421 FAX: (505) 983-6043 Facsimile mfeldewert@hollandhart.com agrarkin@hollandhart.com jbroggi@hollandhart.com pmvance@hollandhart.com
Well Family	Crocubot
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	PURPLE SAGE; WOLFCAMP (GAS) pool (Pool code 98220)
Well Location Setback Rules:	Special Pool Rules (See Order No. R-14262)
Spacing Unit Size:	320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	320 acres
Orientation:	North-South



Description: TRS/County	W/2 of Section 26, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	See Ex. B, para. 16
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit B.3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Exhibit B.2
Well #1	<p>Crocubot Fed 26 211H API: Not yet assigned SHL: 175 feet from the North line and 1,052 feet from the West line, Section 35, Township 22 South, Range 28 East, NMPM, Eddy County. BHL: 130 feet from the North line and 1,254 feet from the West line, Section 26, Township 22 South, Range 28 East, NMPM, Eddy County. Completion Target: Wolfcamp. Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit B.2 for C-102.</p>
Well #2	<p>Crocubot Fed 26 231H API: Not yet assigned SHL: 175 feet from the North line and 1,032 feet from the West line, Section 35, Township 22 South, Range 28 East, NMPM, Eddy County. BHL: 130 feet from the North line and 330 feet from the West line, Section 26, Township 22 South, Range 28 East, NMPM, Eddy County. Completion Target: Wolfcamp. Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit B.2 for C-102.</p>

Well #3	<p>Crocubot Fed 26 232H API: Not yet assigned SHL: 175 feet from the North line and 1,072 feet from the West line, Section 35, Township 22 South, Range 28 East, NMPM, Eddy County. BHL: 130 feet from the North line and 1,870 feet from the West line, Section 26, Township 22 South, Range 28 East, NMPM, Eddy County. Completion Target: Wolfcamp. Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit B.2 for C-102.</p>
Horizontal Well First and Last Take Points	Exhibit B.2
Well #1	<p>Crocubot Fed 26 211H FTP: 330 feet from the South line and 1,254 feet from the West Line, Section 26, Township 22 South, Range 28 East, NMPM, Eddy County. LTP: 330 feet from the North line and 1,254 feet from the West line of Section 26, Township 22 South, Range 28 East, NMPM, Eddy County.</p>
Well #2	<p>Crocubot Fed 26 231H FTP: 330 feet from the South line and 330 feet from the West Line, Section 26, Township 22 South, Range 28 East, NMPM, Eddy County. LTP: 330 feet from the North line and 330 feet from the West line of Section 26, Township 22 South, Range 28 East, NMPM, Eddy County.</p>
Well #3	<p>Crocubot Fed 26 232H FTP: 330 feet from the South line and 1,870 feet from the West Line, Section 26, Township 22 South, Range 28 East, NMPM, Eddy County. LTP: 330 feet from the North line and 1,870 feet from the West line of Section 26, Township 22 South, Range 28 East, NMPM, Eddy County.</p>
Completion Target (Formation, TVD and MD)	See Exhibit B.5.
Well #1	<p>Crocubot Fed 26 211H Formation: Wolfcamp XY TVD: Approximately 9,664' MD: Approximately 14,847'</p>

Well #2	Crocubot Fed 26 231H Formation: Wolfcamp B TVD: Approximately 10,364' MD: Approximately 15,625'
Well #3	Crocubot Fed 26 232H Formation: Wolfcamp B TVD: Approximately 10,384' MD: Approximately 15,660'
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	See Exhibit B, Paragraph 24
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See Exhibits B.1 and B.7
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B.7
Proof of Published Notice of Hearing (10 days before hearing)	N/A
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B.3
Tract List (including lease numbers and owners)	Exhibit B.3
Pooled Parties (including ownership type)	Exhibit B.3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit B.5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3
Chronology of Contact with Non-Joined Working Interests	Exhibit B.4
Overhead Rates In Proposal Letter	See Exhibit B, Para 24.
Cost Estimate to Drill and Complete	Exhibit B.6
Cost Estimate to Equip Well	Exhibit B.6
Cost Estimate for Production Facilities	Exhibit B.6
Geology	
Summary (including special considerations)	Exhibits C.2 and C.3
Spacing Unit Schematic	Exhibits C.2 and C.3
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.2
Well Orientation (with rationale)	Exhibit C.3; Exhibit C, ¶ 12

Target Formation	Exhibit C.6
HSU Cross Section	Exhibit C.6
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit B.2
Tracts	Exhibit B.3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibit C.2
Structure Contour Map - Subsea Depth	Exhibits C.4 and C.5
Cross Section Location Map (including wells)	Exhibit C.6
Cross Section (including Landing Zone)	Exhibit C.6
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Bryce H. Smith
Signed Name (Attorney or Party Representative):	
Date:	Tuesday, August 30, 2022

**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. 22995

SELF AFFIRMED DECLARATION OF PETER SCHMIDT

Peter Schmidt hereby states and declares as follows:

1. I am over the age of 18, I am a landman for Novo Oil & Gas Northern Delaware, LLC (“Novo”), and I have personal knowledge of the matters stated herein.

2. I graduated from the University of Oklahoma in December of 2011 with a B.B.A. in Energy Management and Finance. While in school, I worked as a title landman for Land Services, Inc. (2010), and then as a land intern for Devon Energy Corporation (2011). Upon graduation in 2011, I joined Devon Energy Corporation as a professional landman within Devon’s Permian Basin (Texas) division, where I negotiated and implemented various contracts and agreements and managed a drilling program for roughly 2.5 years. In 2014, I joined Chesapeake Energy Corporation and served as a professional landman overseeing development in Texas and Oklahoma for over 6 years. I joined Novo in March of 2021 as a senior landman and have continued to oversee development in Texas and New Mexico. A copy of my resume is attached as

Exhibit B.8.

3. My area of responsibility at Novo includes the area of Eddy County in New Mexico.

4. I am familiar with the application filed by Novo in this case, which is attached as

Exhibit B.1.

5. I am familiar with the status of the lands that are subject to the application.



6. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.

7. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the wells to be drilled in the unit.

8. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the well.

9. In this case, Novo seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit underlying the W/2 of Section 26, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

10. This spacing unit will be dedicated to the **Crocubot Fed 26 211H**, **Crocubot Fed 26 231H**, and **Crocubot Fed 26 232H** wells to be horizontally drilled.

11. Attached as **Exhibit B.2** is the proposed C-102s for the wells.

12. The C-102s identify the proposed surface hole location, first take point, and bottom hole location of each well. The C-102s also identify the pool and pool code.

13. The wells will develop the PURPLE SAGE; WOLFCAMP (GAS) pool (Pool code 98220).

14. This pool is a gas pool with 320-acre building blocks.

15. This pool is governed by special pool rules for the Purple Sage-Wolfcamp Gas Pool. *See* Order No. R-14262. The producing interval for the wells will be orthodox and will comply with the Division's set back requirements set forth in Order No. R-14262.

16. Although the completed interval for the **Crocubot Fed 26 211H** well is expected to be less than 330 feet from the adjoining quarter-quarter section tracts to allow for the inclusion

of such offsetting proximity tracts within the proposed spacing unit for the wells under Division Rule 19.15.16.15(B)(1)(b) NMAC, because the building blocks in this pool are 320 acres, proximity tracts are not needed to create the proposed spacing unit.

17. There are no depth severances within the proposed spacing unit.

18. **Exhibit B.3** includes a lease tract map outlining the unit being pooled. Exhibit B.3 also includes the parties being pooled, the nature, and the percent of their interests.

19. I have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners well proposals, including an Authorization for Expenditure.

20. In my opinion, Novo has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

21. **Exhibit B.4** is a summary of my contacts with the working interest owners.

22. **Exhibit B.5** is a sample of a well proposal letter that was sent to all working interest owners. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the well.

23. **Exhibit B.6** contains the Authorization for Expenditure for the proposed wells. The estimated cost of the wells set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

24. Novo requests overhead and administrative rates of \$8000.00/month for drilling a well and \$800.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Novo requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

25. Novo requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

26. Novo requests that it be designated operator of the well.

27. 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.

28. The parties Novo is seeking to pool were notified of this hearing.

29. **Exhibit B.7** is an affidavit of notice prepared by counsel for Novo that shows the parties who were notified of this hearing and the status of whether they received notice.

30. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

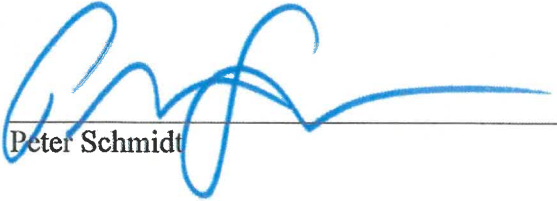
31. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

32. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

[Signature page follows]

I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: August 30, 2022


Peter Schmidt

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. 22995

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 Wolfcamp formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/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/2 of Section 26, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico to form a 320-acre, more or less, Wolfcamp standard horizontal spacing unit.
3. Novo plans to drill the **Crocubot Fed 26 211H, Crocubot Fed 26 212H, Crocubot Fed 26 231H, and Crocubot Fed 26 232H** wells to a depth sufficient to test the Wolfcamp formation. These wells will be horizontally drilled and will be drilled at orthodox locations under the Division’s rules.
4. The completed interval for both the **Crocubot Fed 26 211H** and the **Crocubot Fed 26 212H** wells are expected to be less than 330 feet from the adjoining quarter-quarter section



tracts to allow for the inclusion of such offsetting proximity tracts within the proposed spacing unit for the wells under Division Rule 19.15.16.15(B)(1)(b) NMAC.

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

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

7. 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 320-acre, more or less, standard horizontal spacing unit in the Wolfcamp formation comprised of the W/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 Wolfcamp formation underlying a horizontal spacing unit within the W/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.

By: Earl E. DeBrine, Jr.

Earl E. DeBrine, Jr.

Deana M. Bennett

Bryce H. Smith

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

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dbennett@modrall.com

bsmith@modrall.com

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 Wolfcamp horizontal spacing unit underlying the W/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 211H, Crocubot Fed 26 212H, Crocubot Fed 26 231H, and Crocubot Fed 26 232H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the **Crocubot Fed 26 211H** and the **Crocubot Fed 26 212H** wells will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. 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.

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised August 1, 2011

DISTRICT II
811 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-8720

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, N.M. 87505

Submit one copy to appropriate
District Office

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
Phone: (505) 834-8178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505
Phone: (505) 478-3480 Fax: (505) 478-3482

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
⁴ Property Code		⁵ Property Name Crocubot Fed 26		⁶ Well Number 211H	
⁷ GRID No. 372920		⁸ Operator Name Novo Oil & Gas Northern Delaware, LLC		⁹ Elevation 3086	

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	35	22 S	28 E		175	North	1052	West	Eddy

¹¹ 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
D	26	22 S	28 E		130	North	1254	West	Eddy

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

16

BOTTOM HOLE LOCATION
NAD 83 NMSPC ZONE 3001
Y= 498672.42 N
X= 624870.27 E
LAT.= 32.3706300° N
LONG.= 104.0627688° W

LAST TAKE POINT
NAD 83 NMSPC ZONE 3001
330' FNL, 1254' FWL
SEC. 26, T22S, R28E
Y= 498472.41 N
X= 624868.88 E
LAT.= 32.3700802° N
LONG.= 104.0627750° W

FIRST TAKE POINT
NAD 83 NMSPC ZONE 3001
330' FSL, 1254' FWL
SEC. 26, T22S, R28E
Y= 493855.79 N
X= 624837.01 E
LAT.= 32.3573901° N
LONG.= 104.0629160° W

SURFACE LOCATION
NAD 83 NMSPC ZONE 3001
Y= 493349.37 N
X= 624638.48 E
LAT.= 32.3559995° N
LONG.= 104.0635630° W

Legend:

- = Surface Location
- = Bottom Hole Location
- △ = First Take Point (FTP)
- = Last Take Point (LTP)
- ⊕ = Found 1943 USGLO Brass Cap
- ⊙ = Found 1942 USGLO Brass Cap
- ⊗ = Found 1916 USGLO Brass Cap

The diagram shows a grid of sections 26 and 35. Section 26 is at the top, and Section 35 is at the bottom. A well location is shown in Section 26 with bearings and distances: BHL (130' FNL, 1254' FWL), LTP (330' FNL, 1254' FWL), FTP (330' FSL, 1254' FWL), and SHL (175' FNL, 1052' FWL). Bearings include N 89°42'25" E, N 89°43'40" E, N 00°23'52" E, N 00°23'44" E, N 89°36'15" E, N 89°36'43" E, N 21°24'25" E, N 00°23'52" E, N 00°23'36" E, N 00°23'36" E, N 00°06'15" E, N 1°45'10" W, N 1°40'03" W, N 2°34'34" W, N 2°33'09" W, N 89°40'55" E, and T-22-S, T-23-S.

17 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 unleased 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.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

18 SURVEYOR CERTIFICATION

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

07/30/21

Date of Survey
Plat Revised: 11/22/21
Signature and Seal of

MARSHALL W. LINDIEN
NEW MEXICO
17078
12-2-21
PROFESSIONAL SURVEYOR

17078
Certificate Number

EXHIBIT
B.2

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, N.M. 87505

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
⁴ Property Code		⁵ Property Name Crocubot Fed 26			⁶ Well Number 231H
⁷ OGRID No. 372920		⁸ Operator Name Novo Oil & Gas Northern Delaware, LLC			⁹ Elevation 3086

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	35	22 S	28 E		175	North	1032	West	Eddy

¹¹ 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
D	26	22 S	28 E		130	North	330	West	Eddy

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

18

BOTTOM HOLE LOCATION
NAD 83 NMSPC ZONE 3001
Y= 498667.70 N
X= 623946.21 E
LAT.= 32.3706233° N
LONG.= 104.0657619° W

LAST TAKE POINT
NAD 83 NMSPC ZONE 3001
330' FNL, 330' FWL
SEC. 26, T22S, R28E
Y= 498467.69 N
X= 623944.82 E
LAT.= 32.3700736° N
LONG.= 104.0657680° W

FIRST TAKE POINT
NAD 83 NMSPC ZONE 3001
330' FSL, 330' FWL
SEC. 26, T22S, R28E
Y= 493849.40 N
X= 623912.95 E
LAT.= 32.3573790° N
LONG.= 104.0659086° W

SURFACE LOCATION
NAD 83 NMSPC ZONE 3001
Y= 493349.21 N
X= 624618.50 E
LAT.= 32.3559992° N
LONG.= 104.0636277° W

Legend:

- = Surface Location
- = Bottom Hole Location
- △ = First Take Point (FTP)
- = Last Take Point (LTP)
- ⊕ = Found 1943 USGLO Brass Cap
- ⊙ = Found 1942 USGLO Brass Cap
- ⊗ = Found 1916 USGLO Brass Cap

17 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 unleased 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.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

18 SURVEYOR CERTIFICATION

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

07/30/21

Date of Survey
Plat Revised: 11/22/21
Signature and Seal of Professional Surveyor

17078

Certificate Number

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised August 1, 2011

DISTRICT II
611 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1263 Fax: (575) 748-9720

OIL CONSERVATION DIVISION

Submit one copy to appropriate

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

1220 South St. Francis Dr.
Santa Fe, N.M. 87505

District Office

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505
Phone: (505) 478-3460 Fax: (505) 478-3462

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)
⁴ Property Code	⁵ Property Name Crocubot Fed 26	⁶ Well Number 232H
⁷ GRID No. 372920	⁸ Operator Name Novo Oil & Gas Northern Delaware, LLC	⁹ Elevation 3086

¹⁰ Surface Location

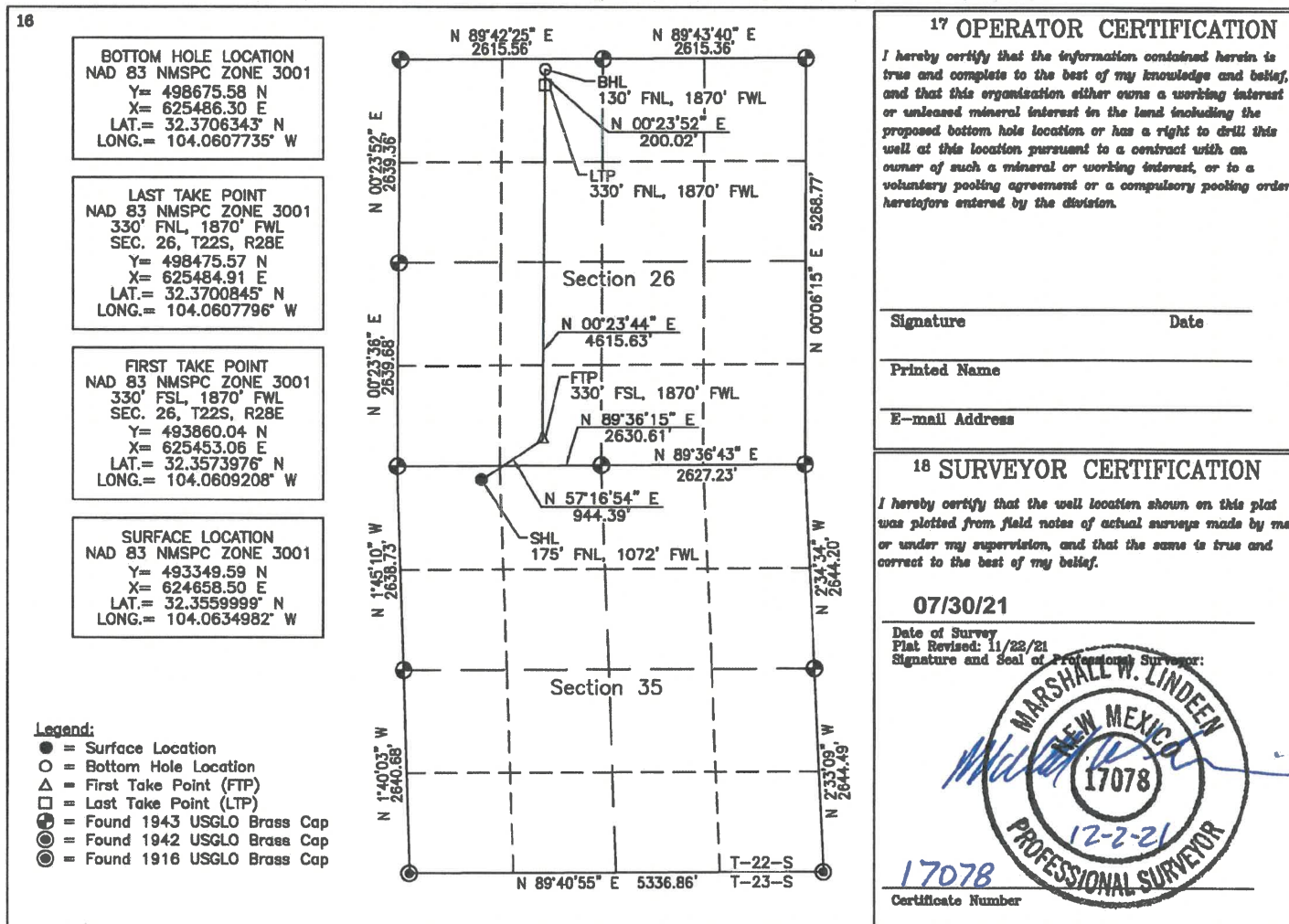
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	35	22 S	28 E		175	North	1072	West	Eddy

¹¹ 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
C	26	22 S	28 E		130	North	1870	West	Eddy

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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



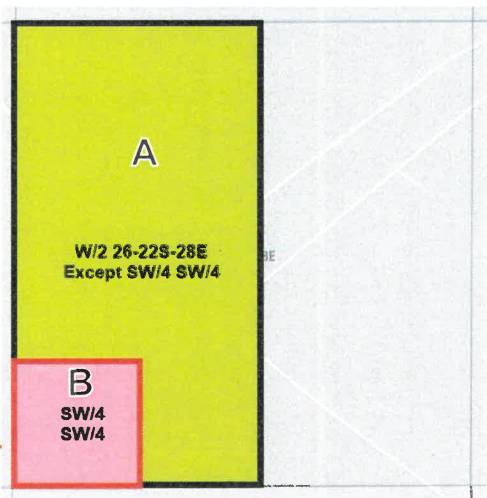


Ownership Overview – Crocubot Fed 26 Unit

Tract A
Federal Lease NMNM67979
NW/4, N/2 SW/4, SE/4 SW/4 26-22S-28E
Covering **280 acres**, more or less
Novo Oil & Gas Northern Delaware, LLC owns 100% WI

Owner	Tract	Net Acres	WI in Unit
Novo Oil & Gas Northern Delaware, LLC	A	280	87.50%
MRC Delaware Resources, LLC*	B	38.4	12.00%
Nadel and Gussman Capitan, LLC*	B	1.6	0.50%
		320	100.00%

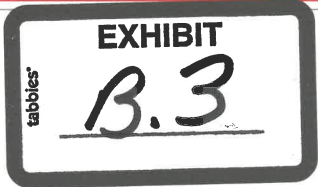
Tract B
Federal Lease NMNM67979
SW/4 SW/4 26-22S-28E
Covering **40 acres**, more or less
MRC Delaware Resources, LLC owns 96% WI
Nadel and Gussman Capitan, LLC owns 4% WI



Tract A: W/2 26-22S-28E
Except SW/4 SW/4
Tract B: SW/4 SW/4 26-22S-28E

WI OWNERS
 Novo
 MRC/N&G

*Working-Interest Owners to be Pooled



Status of Uncommitted Parties

Committed Parties (87.50%) – Tract A

87.50% - Novo Oil & Gas Northern Delaware, LLC

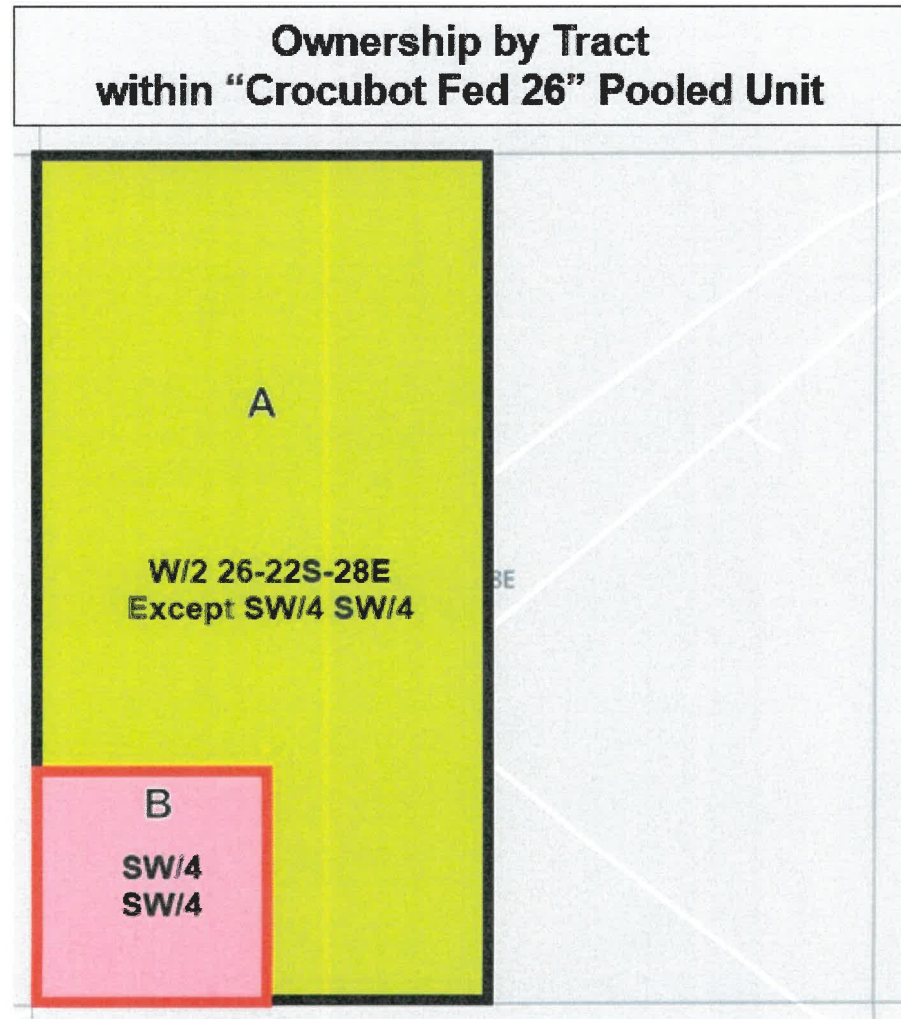
Uncommitted Parties (12.50%) – Tract B

12.00% - MRC Delaware Resources, LLC

Status: Novo provided form of Operating Agreement

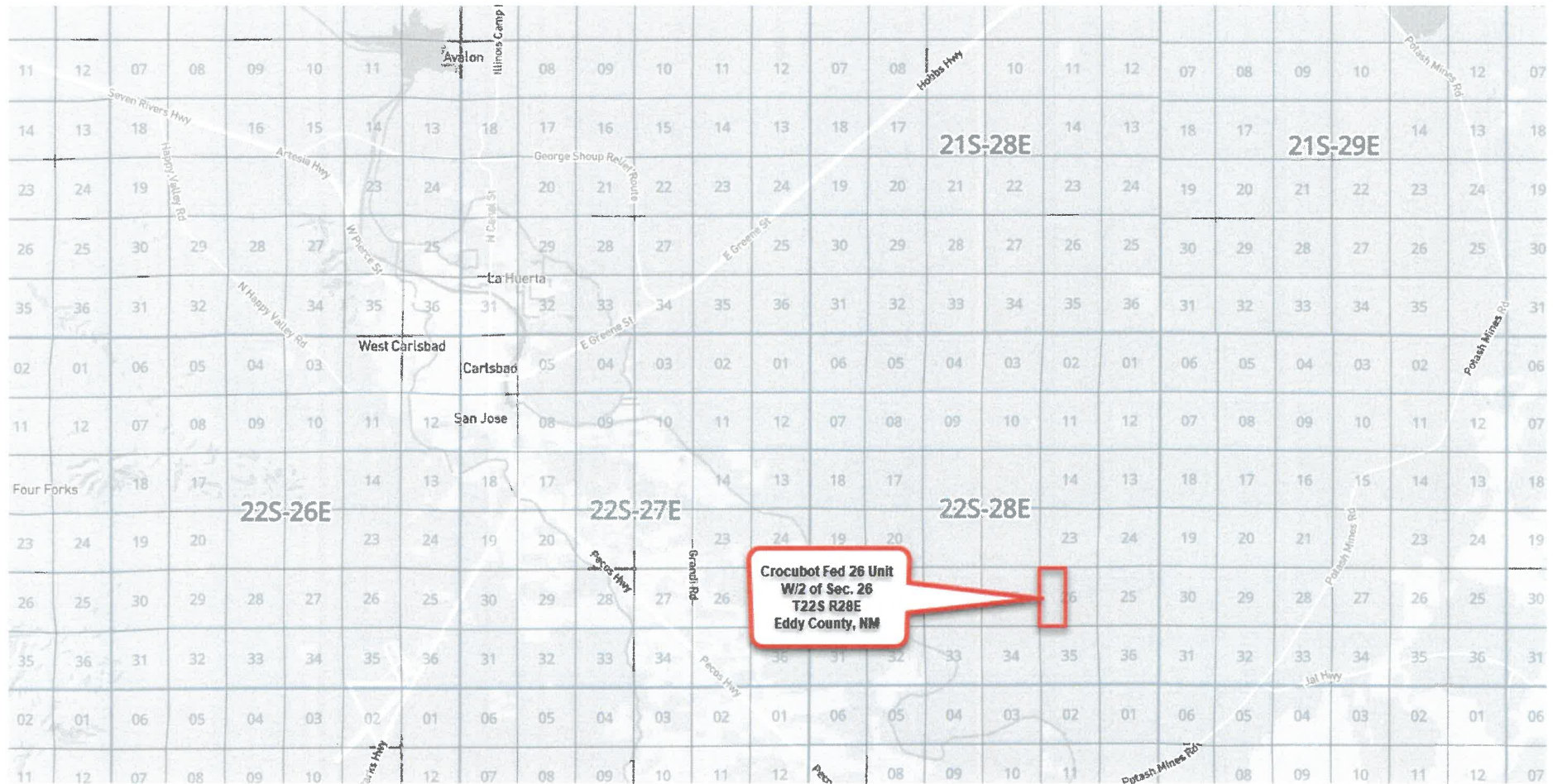
0.50% - Nadel and Gussman Capitan, LLC

Status: Novo provided form of Operating Agreement





Locator Map



Parties to Be Pooled

Case No. 22995

Name	Interest
MRC Delaware Resources, LLC	WIO
Nadel and Gussman Capitan, LLC	WIO

Summary of Attempted Contacts – MRC Delaware Resources, LLC

Date of Email/Phone Call	MRC Contact	Topic
2/10/2022	Sara Hartsfield, David Johns	Novo proposes possible trade option
2/17/2022	Sara Hartsfield	Discussion of trade proposal
3/4/2022	Sara Hartsfield	Discussion of trade proposal
3/8/2022	Sara Hartsfield	Discussion of trade proposal
3/14/2022	Sara Hartsfield	Discussion of trade proposal
3/15/2022	Sara Hartsfield	Discussion of MRC counteroffer to trade proposal
3/17/2022	Sara Hartsfield	Novo proposes alternative trade option
4/25/2022	Sara Hartsfield	Novo follows up on MRC's interest in trade
5/12/2022	Sara Hartsfield, Chris Carleton	In-person discussion regarding trade proposal, other matters
8/11/2022	Chris Carleton	Discussion of trade proposal, MRC proposes alternative trade option
8/12/2022	Sara Hartsfield	Recap of discussion with Chris Carleton from prior day
8/17/2022	David Johns	MRC requests JOA
8/19/2022	David Johns	MRC requests information regarding proposed wells, Novo answers them
8/23/2022	David Johns	Novo provides JOA form
8/25/2022	Chris Carleton	Novo declines MRC's trade proposal
8/26/2022	Nick Weeks	MRC asks question about Novo's proposed wells
8/29/2022	Nick Weeks	Novo answers MRC's question from 8/26



Summary of Attempted Contacts – Nadel & Gussman Capitan, LLC

Date of Email/Phone Call	N&G Contact	Topic
1/19/2022	Kevin DeLay/ Joey Stauffer	Inquired as to whether N&G would participate or consider selling
1/25/2022	Joey Stauffer	Discussion regarding N&G's desire to wait to entertain participating or selling after it reviews well proposals
2/4/2022	Joey Stauffer	Sent digital copy of well proposals; Inquired as to whether N&G would participate or consider selling
2/7/2022	Joey Stauffer	Confirmation of N&G's WI and NRI
2/8/2022	Joey Stauffer	Provided details on nature of the sliding scale royalty burdening leasehold
3/10/2022	Joey Stauffer	Further inquiry on N&G's desire to participate or sell
3/23/2022	Joey Stauffer	Provided divestiture options per N&G's request, further discussion regarding effect of sliding scale royalty
5/17/2022	Joey Stauffer	Discussion regarding N&G's interest in participating vs. selling
8/25/2022	Joey Stauffer	Further inquiry as to whether N&G would like to sign a JOA in lieu of pooling
8/29/2022	Joey Stauffer	N&G requests JOA form, Novo provides



Peter Schmidt
Senior Landman
Novo Oil & Gas Northern Delaware, LLC
1001 West Wilshire Blvd, Suite 206
Oklahoma City, Oklahoma 73116
Office: 405.849.5207
pschmidt@novoog.com

February 2nd, 2022

MRC Delaware Resources, LLC
5400 LBJ Freeway, Ste. 1500
Dallas, TX 75240

Via E-Mail (shartsfield@matadorresources.com) and Federal Express

Re: Well Proposals
W/2 of Section 26, Township 22 South, Range 28 East, N.M.P.M.
Eddy County, New Mexico

Proposed Wells:

- Crocubot Fed 26 135H (First Bone Spring)
- Crocubot Fed 26 215H (First Bone Spring)
- Crocubot Fed 26 131H (Third Bone Spring)
- Crocubot Fed 26 132H (Third Bone Spring)
- Crocubot Fed 26 211H (Wolfcamp XY)
- Crocubot Fed 26 212H (Wolfcamp XY)
- Crocubot Fed 26 231H (Wolfcamp B)
- Crocubot Fed 26 232H (Wolfcamp B)

Dear Working Interest Owner:

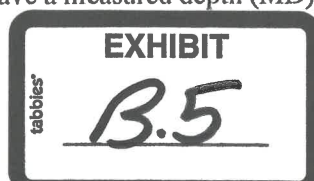
Novo Oil & Gas Northern Delaware, LLC (“Novo”) as Operator hereby proposes the drilling, completion, and equipping of the nine (9) following described Crocubot Fed 26 wells located in the W/2 of Section 26, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

The estimated cost of drilling, testing, completing, and equipping of each of the Proposed Wells is itemized on corresponding Authority for Expenditures (“AFE”) included herewith. Novo’s records reflect that MRC Delaware Resources, LLC (“Matador”) owns a 38.4 net acre leasehold interest in the SW/4 SW/4 of Section 26, representing a 12.00% working interest in the corresponding 320-acre spacing unit for each of the Proposed Wells.

Proposed Well - Crocubot Fed 26 135H (First Bone Spring)

SHL: 1,130’ FNL, 2,440’ FWL of Section 35 Township 22 South, Range 28 East
First take point: 100’ FSL, 330’ FWL of Section 26, Township 22 South, Range 28 East
Last take point: 100’ FNL, 330’ FWL of Section 26, Township 22 South, Range 28 East
BHL: 10’ FNL, 330’ FWL of Section 26, Township 22 South, Range 28 East

The W/2 of Section 26 will be dedicated to the well as its 320-acre spacing unit. The well will be drilled to an approximate true vertical depth (TVD) of 7,317 feet subsurface to evaluate the First Bone Spring formation. The proposed well will have a measured depth (MD) of approximately 13,234 feet.



Well Proposals 2.02.22 – Crocubot Fed 26
W/2 of Section 26, Township 22 South, Range 28 East, N.M.P.M. (320 acres)
Eddy County, NM

Proposed Well - Crocubot Fed 26 215H (First Bone Spring)

SHL: 1,130' FNL, 2,480' FWL of Section 35 Township 22 South, Range 28 East
First take point: 330' FSL, 1,870' FWL of Section 26, Township 22 South, Range 28 East
Last take point: 330' FNL, 1,870' FWL of Section 26, Township 22 South, Range 28 East
BHL: 130' FNL, 1,870' FWL of Section 26, Township 22 South, Range 28 East

The W/2 of Section 26 will be dedicated to the well as its 320-acre spacing unit. The well will be drilled to an approximate true vertical depth (TVD) of 7,346 feet subsurface to evaluate the First Bone Spring formation. The proposed well will have a measured depth (MD) of approximately 12,628 feet.

Proposed Well - Crocubot Fed 26 131H (Third Bone Spring)

SHL: 175' FNL, 1,012' FWL of Section 35 Township 22 South, Range 28 East
First take point: 100' FSL, 330' FWL of Section 26, Township 22 South, Range 28 East
Last take point: 100' FNL, 330' FWL of Section 26, Township 22 South, Range 28 East
BHL: 10' FNL, 330' FWL of Section 26, Township 22 South, Range 28 East

The W/2 of Section 26 will be dedicated to the well as its 320-acre spacing unit. The well will be drilled to an approximate true vertical depth (TVD) of 9,512 feet subsurface to evaluate the Third Bone Spring formation. The proposed well will have a measured depth (MD) of approximately 15,093 feet.

Proposed Well - Crocubot Fed 26 132H (Third Bone Spring)

SHL: 175' FNL, 1,092' FWL of Section 35 Township 22 South, Range 28 East
First take point: 100' FSL, 2,178' FWL of Section 26, Township 22 South, Range 28 East
Last take point: 100' FNL, 2,178' FWL of Section 26, Township 22 South, Range 28 East
BHL: 10' FNL, 2,178' FWL of Section 26, Township 22 South, Range 28 East

The W/2 of Section 26 will be dedicated to the well as its 320-acre spacing unit. The well will be drilled to an approximate true vertical depth (TVD) of 9,527 feet subsurface to evaluate the Third Bone Spring formation. The proposed well will have a measured depth (MD) of approximately 15,153 feet.

Proposed Well - Crocubot Fed 26 211H (Wolfcamp XY)

SHL: 175' FNL, 1,052' FWL of Section 35 Township 22 South, Range 28 East
First take point: 330' FSL, 1,254' FWL of Section 26, Township 22 South, Range 28 East
Last take point: 330' FNL, 1,254' FWL of Section 26, Township 22 South, Range 28 East
BHL: 130' FNL, 1,254' FWL of Section 26, Township 22 South, Range 28 East

The W/2 of Section 26 will be dedicated to the well as its 320-acre spacing unit. The well will be drilled to an approximate true vertical depth (TVD) of 9,664 feet subsurface to evaluate the Wolfcamp XY formation. The proposed well will have a measured depth (MD) of approximately 14,847 feet.

Proposed Well - Crocubot Fed 26 212H (Wolfcamp XY)

SHL: 175' FNL, 1,112' FWL of Section 35 Township 22 South, Range 28 East
First take point: 330' FSL, 1,518' FWL of Section 26, Township 22 South, Range 28 East
Last take point: 330' FNL, 1,518' FWL of Section 26, Township 22 South, Range 28 East

Well Proposals 2.02.22 – Crocubot Fed 26
W/2 of Section 26, Township 22 South, Range 28 East, N.M.P.M. (320 acres)
Eddy County, NM

BHL: 130' FNL, 1,518' FWL of Section 26, Township 22 South, Range 28 East

The W/2 of Section 26 will be dedicated to the well as its 320-acre spacing unit. The well will be drilled to an approximate true vertical depth (TVD) of 9,679 feet subsurface to evaluate the Wolfcamp XY formation. The proposed well will have a measured depth (MD) of approximately 14,873 feet.

Proposed Well - Crocubot Fed 26 231H (Wolfcamp B)

SHL: 175' FNL, 1,032' FWL of Section 35 Township 22 South, Range 28 East
First take point: 330' FSL, 330' FWL of Section 26, Township 22 South, Range 28 East
Last take point: 330' FNL, 330' FWL of Section 26, Township 22 South, Range 28 East
BHL: 130' FNL, 330' FWL of Section 26, Township 22 South, Range 28 East

The W/2 of Section 26 will be dedicated to the well as its 320-acre spacing unit. The well will be drilled to an approximate true vertical depth (TVD) of 10,364 feet subsurface to evaluate the Wolfcamp B formation. The proposed well will have a measured depth (MD) of approximately 15,625 feet.

Proposed Well - Crocubot Fed 26 232H (Wolfcamp B)

SHL: 175' FNL, 1,072' FWL of Section 35 Township 22 South, Range 28 East
First take point: 330' FSL, 1,870' FWL of Section 26, Township 22 South, Range 28 East
Last take point: 330' FNL, 1,870' FWL of Section 26, Township 22 South, Range 28 East
BHL: 130' FNL, 1,870' FWL of Section 26, Township 22 South, Range 28 East

The W/2 of Section 26 will be dedicated to the well as its 320-acre spacing unit. The well will be drilled to an approximate true vertical depth (TVD) of 10,384 feet subsurface to evaluate the Wolfcamp B formation. The proposed well will have a measured depth (MD) of approximately 15,660 feet.

Novo respectfully requests that Matador complete the ballot portion of this letter as set forth below indicating Matador's election as to whether it will participate in the Proposed Wells and return a copy of this letter with ballot pages included to the attention of the undersigned within thirty (30) days from receipt of this letter. In the event Matador should elect to participate in the Proposed Wells, please obtain the proper execution on behalf of Matador of the enclosed AFEs and return them with Matador's election. Additional copies of the AFEs are enclosed for your records.

Upon receipt of the executed AFE's, Novo will send you its proposed Operating Agreement for execution. Should you have any questions regarding the above, please contact me by phone at 405-849-5207 or by e-mail at pschmidt@novoog.com.

Sincerely,

Novo Oil & Gas Northern Delaware, LLC



Peter Schmidt
Senior Landman

Well Proposals 2.02.22 – Crocubot Fed 26
W/2 of Section 26, Township 22 South, Range 28 East, N.M.P.M. (320 acres)
Eddy County, NM

Participation Ballot

Proposed Wells:

Crocubot Fed 26 135H

Participate in the Crocubot Fed 26 135H

Not Participate in the Crocubot Fed 26 135H

Crocubot Fed 26 215H

Participate in the Crocubot Fed 26 215H

Not Participate in the Crocubot Fed 26 215H

Crocubot Fed 26 131H

Participate in the Crocubot Fed 26 131H

Not Participate in the Crocubot Fed 26 131H

Crocubot Fed 26 132H

Participate in the Crocubot Fed 26 132H

Not Participate in the Crocubot Fed 26 132H

Crocubot Fed 26 211H

Participate in the Crocubot Fed 26 131H

Not Participate in the Crocubot Fed 26 131H

Crocubot Fed 26 212H

Participate in the Crocubot Fed 26 131H

Not Participate in the Crocubot Fed 26 131H

Well Proposals 2.02.22 – Crocubot Fed 26
W/2 of Section 26, Township 22 South, Range 28 East, N.M.P.M. (320 acres)
Eddy County, NM

Crocubot Fed 26 231H

_____ **Participate** in the Crocubot Fed 26 131H

_____ **Not Participate** in the Crocubot Fed 26 131H

Crocubot Fed 26 232H

_____ **Participate** in the Crocubot Fed 26 131H

_____ **Not Participate** in the Crocubot Fed 26 131H

The foregoing elections are made on behalf of:

MRC Delaware Resources, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TOC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
				WELL INTANGIBLE COSTS				
300	500	600	600					
301	501			SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00
302	502			LOCATION & ROAD	\$50,000.00			\$50,000.00
303	503			RIG MOVE	\$40,000.00			\$40,000.00
304	504			DRILLING - FOOTAGE				\$0.00
305	505			DRILLING - DAYWORK	\$201,250.00			\$201,250.00
506				COMPLETION/WORKOVER RIG				\$0.00
507				COIL TUBING/SUBS. UNIT		\$125,000.00		\$125,000.00
508				SLICKLINE/SWABBING				\$0.00
509				BIT	\$50,000.00			\$50,000.00
510	510			DIRECTIONAL SERVICES	\$110,000.00			\$110,000.00
511	511			CASINO CREW	\$50,000.00			\$50,000.00
512	512			TOOL & EQUIPMENT RENTAL	\$55,000.00	\$150,000.00		\$205,000.00
513	513			FUEL & POWER	\$72,000.00	\$260,000.00		\$332,000.00
514				DIESEL - BASE FOR MUD	\$75,000.00			\$75,000.00
515	515			MUD LOGGING & GEOLOGIST	\$80,000.00	\$50,000.00		\$140,000.00
516	516			DISPOSAL, RESTORATION & BACKFILL	\$10,000.00			\$10,000.00
517	517			TRUCKING				\$0.00
518	518			TESTING	\$90,000.00			\$90,000.00
519	519			CEMENTING		\$125,000.00		\$125,000.00
520	520			PERFORATING				\$0.00
521	521			CASED HOLE LOGS				\$0.00
522	522			DOWN-HOLE TOOLS & SERVICE				\$0.00
523	523			SCIENCE & DIAGNOSTICS				\$0.00
524	524			FORMATION STIMULATION		\$300,000.00		\$300,000.00
526	526			CONSULTING SERVICES/SUPERVISION		\$85,000.00		\$85,000.00
527	527			CONTRACT LABOR / SERVICES	\$40,250.00	\$75,000.00		\$115,250.00
528	528			OTHER LABOR		\$40,000.00		\$40,000.00
529	529			OVERHEAD				\$0.00
530	530			WATER - FRESH		\$250,000.00		\$250,000.00
531	531			FLUIDS & CHEMICALS	\$100,000.00	\$160,000.00		\$260,000.00
532	532			CORING & ANALYSIS				\$0.00
533	533			COMMUNICATIONS	\$8,000.00			\$8,000.00
534	534			BOP TESTING	\$15,000.00			\$15,000.00
535	535			COGNITROGEN				\$0.00
536	536			FISHING TOOLS & SERVICES				\$0.00
537	537			INSPECTIONS	\$10,000.00			\$10,000.00
538	538			WIRELINE SERVICES				\$0.00
539	539			ENGINEERING & GEOLOGY - FIELD				\$0.00
540	540			ENGINEERING & GEOLOGY - OFFICE				\$0.00
541	541			MULTI-SHOT & GYRO				\$0.00
542	542			RE-ENTRY SERVICES				\$0.00
543	543			CAMPS & TRAILERS	\$15,000.00	\$30,000.00		\$45,000.00
544	544			SAFETY EQUIPMENT & H2S	\$10,000.00	\$5,000.00		\$15,000.00
545	545			CONTINGENCY		\$2,000.00		\$2,000.00
546	546			INSURANCE				\$0.00
547	547			MISCELLANEOUS				\$0.00
548	548			OUTSIDE OPERATED				\$0.00
549	549			SAND		\$400,000.00		\$400,000.00
550	550			SAND LOGISTICS				\$0.00
551	551			VACUUM TRUCK				\$0.00
552	552			WATER - BRINE				\$0.00
553	553			FACILITY TRUCKING				\$0.00
554	554			FACILITY VACUUM TRUCK				\$0.00
555	555			FACILITY CONSULTING SER/SUPERVISION				\$0.00
556	556			FACILITY CONTRACT LABOR / SER.				\$0.00
557	557			FACILITY SURFACE RENTAL				\$0.00
558	558			EXPENSES				\$0.00
TOTAL WELL INTANGIBLE COSTS					\$1,116,500.00	\$2,047,000.00	\$0.00	\$3,163,500.00
				WELL TANGIBLE COSTS				
401				CASINO - CONDUCTOR	\$25,000.00			\$25,000.00
402				CASINO - SURFACE	\$25,000.00			\$25,000.00
403				CASINO - BALT STRING				\$0.00
404	604			CASINO - INTERMEDIATE	\$128,000.00			\$128,000.00
405	605			CASINO - PRODUCTION LINER	\$283,500.00			\$283,500.00
406	606			SUBSURFACE EQUIPMENT				\$0.00
407	607			PRODUCTION TUBING				\$0.00
408	608			SUBSURFACE PUMPING EQUIPMENT				\$0.00
409	609			WELLHEAD EQUIPMENT	\$40,000.00			\$40,000.00
610				FLOWLINES			\$100,000.00	\$100,000.00
611				SURFACE PUMPING EQUIPMENT				\$0.00
612	612			LINER HANGER & ASSOC EQUIP			\$400,000.00	\$400,000.00
613	613			VALVES & FITTINGS				\$0.00
614	614			INSTRUMENTATION & ELECTRICAL				\$0.00
615	615			RODS				\$0.00
617	617			TRUCKING				\$0.00
420				RE-ENTRY EQUIPMENT			\$500,000.00	\$500,000.00
634				PRODUCTION EQUIPMENT				\$0.00
447	647			MISCELLANEOUS				\$0.00
448	648			OUTSIDE OPERATED				\$0.00
649	649			TANGIBLE EQUIP-ACQUISITIONS				\$0.00
TOTAL TANGIBLE COSTS					\$499,500.00	\$0.00	\$1,000,000.00	\$1,499,500.00
TOTAL ESTIMATED WELL COST					\$1,616,000.00	\$2,047,000.00	\$1,000,000.00	\$4,663,000.00

PREPARED BY: Alex Bourland/Aaron Cottle Senior Operations Engineer DATE: 1/25/2022
 OPERATOR APPROVAL: [Signature] COO DATE: 1-27-2022
 OPERATOR APPROVAL: [Signature] CEO or CFO DATE: 1/28/22
 PARTNER COMPANY NAME: _____ DATE: _____
 PARTNER APPROVAL: _____
 TITLE: _____

The costs on this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE				
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL	
PREFIX 300 500 PREFIX 400 600				WELL INTANGIBLE COSTS					
301	501			SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00	
302	502			LOCATION & ROAD	\$50,000.00			\$50,000.00	
303				R/G MOVE	\$40,000.00			\$40,000.00	
304				DRILLING - FOOTAGE				\$0.00	
305	505			DRILLING - DAYWORK	\$201,250.00			\$201,250.00	
506				COMPLETION/WORKOVER R/G		\$125,000.00		\$125,000.00	
507				COL. TUBING/SUBSING UNIT				\$0.00	
508				SUCKLINES/WABBERS				\$0.00	
509	509			BITES	\$50,000.00			\$50,000.00	
310	510			DIRECTIONAL SERVICES	\$110,000.00			\$110,000.00	
311	511			CASING CREW	\$50,000.00			\$50,000.00	
312	512			TOOL & EQUIPMENT RENTAL	\$55,000.00	\$150,000.00		\$205,000.00	
313	513			FUEL & POWER	\$72,000.00	\$260,000.00		\$332,000.00	
314				DIESEL - BASE FOR MUD	\$75,000.00			\$75,000.00	
315	515			MUD LOGGING & GEOLOGIST				\$0.00	
316	516			DISPOSAL, RESTORATION & BACKFILL	\$90,000.00	\$50,000.00		\$140,000.00	
317	517			TRUCKING	\$10,000.00			\$10,000.00	
518				TESTING				\$0.00	
319	519			CEMENTING	\$90,000.00			\$90,000.00	
320	520			PERFORATING		\$125,000.00		\$125,000.00	
521				CASED HOLE LOGS				\$0.00	
322	522			DOWNHOLE TOOLS & SERVICE				\$0.00	
523	523			SCIENCE & DIAGNOSTICS				\$0.00	
524				FORMATION STIMULATION		\$300,000.00		\$300,000.00	
326	526			CONSULTING SERVICES/SUPERVISION		\$85,000.00		\$85,000.00	
327	527			CONTRACT LABOR / SERVICES	\$40,250.00	\$75,000.00		\$115,250.00	
328	528			OTHER LABOR	\$40,000.00			\$40,000.00	
329	529			OVERHEAD				\$0.00	
330	530			WATER - FRESH		\$250,000.00		\$250,000.00	
331	531			FLUIDS & CHEMICALS	\$100,000.00	\$150,000.00		\$250,000.00	
332	532			COORING & ANALYSIS				\$0.00	
333	533			COMMUNICATIONS	\$8,000.00			\$8,000.00	
334	534			POP TESTING	\$15,000.00			\$15,000.00	
335	535			COUNTROODI				\$0.00	
336	536			FISHING TOOLS & SERVICES				\$0.00	
337	537			INSPECTIONS	\$10,000.00			\$10,000.00	
338	538			WIRELINE SERVICES				\$0.00	
339	539			ENGINEERING & GEOLOGY - FIELD				\$0.00	
340	540			ENGINEERING & GEOLOGY - OFFICE				\$0.00	
341				MULTISHOT & GYRO				\$0.00	
342				RE-ENTRY SERVICES				\$0.00	
343	543			CAMPS & TRAILERS	\$15,000.00	\$30,000.00		\$45,000.00	
344	544			SAFETY EQUIPMENT & H&B	\$10,000.00	\$5,000.00		\$15,000.00	
345				CONTINGENCY				\$0.00	
346	546			INSURANCE		\$2,000.00		\$2,000.00	
347	547			MISCELLANEOUS				\$0.00	
348	548			OUTSIDE OPERATED				\$0.00	
349	549			SAND				\$0.00	
350	550			SAND LOGISTICS		\$400,000.00		\$400,000.00	
351	551			VACUUM TRUCK				\$0.00	
352	552			WATER - BRINE				\$0.00	
553				FACILITY TRUCKING				\$0.00	
554				FACILITY VACUUM TRUCK				\$0.00	
555				FACILITY CONSULTING SER/SUPERVISION				\$0.00	
556				FACILITY CONTRACT LABOR / SER.				\$0.00	
557				FACILITY SURFACE RENTAL				\$0.00	
558				S&M-OPS				\$0.00	
TOTAL WELL INTANGIBLE COSTS					\$1,146,500.00	\$2,047,000.00	\$0.00	\$3,193,500.00	
WELL TANGIBLE COSTS									
401				CASING - CONDUCTOR	\$25,000.00			\$25,000.00	
402				CASING - SURFACE	\$25,000.00			\$25,000.00	
403				CASING - SALT STRING				\$0.00	
404	604			CASING - INTERMEDIATE	\$126,000.00			\$126,000.00	
405	605			CASING - PRODUCTION LINER	\$283,500.00			\$283,500.00	
406	606			SUBSURFACE EQUIPMENT				\$0.00	
407	607			PRODUCTION TUBING				\$0.00	
408	608			SUBSURFACE PUMPING EQUIPMENT				\$0.00	
409	609			WELLHEAD EQUIPMENT	\$40,000.00			\$40,000.00	
610				FLOWLINES				\$0.00	
611				SURFACE PUMPING EQUIPMENT				\$0.00	
612	612			LINER HANGER & ASSOC EQUIP				\$0.00	
613	613			VALVES & FITTINGS		\$400,000.00		\$400,000.00	
614	614			INSTUMENTATION & ELECTRICAL				\$0.00	
615	615			RODS				\$0.00	
417	617			TRUCKING				\$0.00	
420				RE-ENTRY EQUIPMENT				\$0.00	
634				PRODUCTION EQUIPMENT		\$500,000.00		\$500,000.00	
447	647			MISCELLANEOUS				\$0.00	
448	648			OUTSIDE OPERATED				\$0.00	
649				TANGIBLE EQUIP-ACQUISITIONS				\$0.00	
TOTAL TANGIBLE COSTS					\$499,500.00	\$0.00	\$1,000,000.00	\$1,499,500.00	
TOTAL ESTIMATED WELL COST					\$1,646,000.00	\$2,047,000.00	\$1,000,000.00	\$4,693,000.00	

PREPARED BY: Alex Bourland/Aaron Catley Senior Operations Engineer DATE: 1/25/2022
 OPERATOR APPROVAL: [Signature] COO DATE: 1-27-2022
 OPERATOR APPROVAL: [Signature] CEO or CFO DATE: 1/28/22
 PARTNER COMPANY NAME: _____ DATE: _____
 PARTNER APPROVAL: _____
 TITLE: _____

The costs of the AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE					
IOC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL		
NOVO				NOVO OIL & GAS NORTHERN DELAWARE, LLC AUTHORIZATION FOR EXPENDITURE 1001 West Wilshire, Suite 206 Oklahoma City, Oklahoma 73116 405-246-4391						
WELL NAME				Crescent Field 28 131H	AFE TYPE	Development		AFE NUMBER	2015171	
LATERAL LOCATION				16W FWL & 33W FWL	FIELD			PROPERTY NUMBER	30015-10171	
SURFACE LOCATION				17S FWL & 1,012 FWL	FORMATION	Third Bone Spring		DRILLING DAYS	14	
BOTTOM-HOLE LOCATION				17 FWL & 33W FWL	COUNTY	Edley		DEPTH (TVDT/MD)	9512/15083	
PROJECT DESCRIPTION				Drilling, Completion & Facilities costs for Novo 5K Third Bone Spring horizontal well.						
PRELIMINARY				STATE						NM
PRELIMINARY				WELL INTANGIBLE COSTS						
300	500	400	600		\$25,000.00			\$25,000.00		
301	501			SURVEY/PERMITS/DAMAGES	\$67,600.00			\$67,600.00		
302	502			LOCATION & ROAD	\$40,000.00			\$40,000.00		
303	503			RIG MOVE				\$0.00		
304	504			DRILLING - FOOTAGE	\$220,000.00			\$220,000.00		
305	505			DRILLING - DAYWORK		\$125,000.00		\$125,000.00		
306	506			COMPLETION/WORKOVER RIG				\$0.00		
307	507			COIL TUBING/SNABBING UNIT				\$0.00		
308	508			SLICKLINE/SWABBING	\$60,000.00			\$60,000.00		
309	509			BITS	\$80,000.00			\$80,000.00		
310	510			DIRECTIONAL SERVICES	\$80,000.00			\$80,000.00		
311	511			CASING CREW	\$70,000.00	\$150,000.00		\$220,000.00		
312	512			TOOL & EQUIPMENT RENTAL	\$94,500.00	\$275,000.00		\$369,500.00		
313	513			FUEL & POWER	\$75,000.00			\$75,000.00		
314	514			DIESEL - BASE FOR MUD				\$0.00		
315	515			MUD LOGGING & GEOLOGIST	\$80,000.00	\$50,000.00		\$140,000.00		
316	516			DISPOSAL, RESTORATION & BACKFILL	\$36,000.00			\$36,000.00		
317	517			TRUCKING				\$0.00		
318	518			TESTING	\$110,000.00			\$110,000.00		
319	519			CEMENTING		\$125,000.00		\$125,000.00		
320	520			PERFORATING				\$0.00		
321	521			CASED HOLE LOGS	\$20,000.00	\$45,000.00		\$65,000.00		
322	522			DOWNHOLE TOOLS & SERVICE				\$0.00		
323	523			SCIENCE & DIAGNOSTICS		\$360,000.00		\$360,000.00		
324	524			FORMATION STIMULATION	\$50,000.00	\$85,000.00		\$135,000.00		
326	526			CONSULTING SERVICES/SUPERVISION		\$75,000.00		\$75,000.00		
327	527			CONTRACT LABOR / SERVICES		\$40,000.00		\$40,000.00		
328	528			OTHER LABOR				\$0.00		
329	529			OVERHEAD	\$20,000.00	\$300,000.00		\$320,000.00		
330	530			WATER - FRESH	\$100,000.00	\$160,000.00		\$260,000.00		
331	531			FLUIDS & CHEMICALS				\$0.00		
332	532			CORING & ANALYSIS	\$8,000.00	\$10,000.00		\$18,000.00		
333	533			COMMUNICATIONS		\$10,000.00		\$10,000.00		
334	534			BOP TESTING	\$15,000.00			\$15,000.00		
335	535			CO2/NITROGEN				\$0.00		
336	536			FISHING TOOLS & SERVICES	\$10,000.00			\$10,000.00		
337	537			INSPECTIONS				\$0.00		
338	538			WIRELINE SERVICES				\$0.00		
339	539			ENGINEERING & GEOLOGY - FIELD				\$0.00		
340	540			ENGINEERING & GEOLOGY - OFFICE				\$0.00		
341	541			MULTISHOT & GYRO				\$0.00		
342	542			RE-ENTRY SERVICES	\$15,000.00	\$30,000.00		\$45,000.00		
343	543			CAMPS & TRAILERS	\$10,000.00	\$5,000.00		\$15,000.00		
344	544			SAFETY EQUIPMENT & HSE				\$0.00		
345	545			CONTINGENCY				\$0.00		
346	546			INSURANCE				\$0.00		
347	547			MISCELLANEOUS				\$0.00		
348	548			OUTSIDE OPERATED				\$0.00		
349	549			SAND		\$300,000.00		\$300,000.00		
350	550			SAND LOGISTICS				\$0.00		
351	551			VACUUM TRUCK				\$0.00		
352	552			WATER - BRINE				\$0.00		
353	553			FACILITY TRUCKING				\$0.00		
354	554			FACILITY VACUUM TRUCK				\$0.00		
355	555			FACILITY CONSULTING SER/SUPERVISION				\$0.00		
356	556			FACILITY CONTRACT LABOR / SER.				\$0.00		
357	557			FACILITY SURFACE RENTAL				\$0.00		
358	558			SM-OPS				\$0.00		
TOTAL WELL INTANGIBLE COSTS					\$1,306,000.00	\$2,155,000.00	\$0.00	\$3,461,000.00		
WELL TANGIBLE COSTS										
401	601			CASING - CONDUCTOR	\$25,000.00			\$25,000.00		
402	602			CASING - SURFACE	\$25,000.00			\$25,000.00		
403	603			CASING - SALT STRING	\$0.00			\$0.00		
404	604			CASING - INTERMEDIATE	\$470,000.00			\$470,000.00		
405	605			CASING - PRODUCTION LINER	\$450,000.00			\$450,000.00		
406	606			SUBSURFACE EQUIPMENT				\$0.00		
407	607			PRODUCTION TUBING				\$0.00		
408	608			SUBSURFACE PUMPING EQUIPMENT				\$0.00		
409	609			WELLHEAD EQUIPMENT	\$40,000.00			\$40,000.00		
410	610			FLOWLINES		\$100,000.00		\$100,000.00		
411	611			SURFACE PUMPING EQUIPMENT				\$0.00		
412	612			LINER HANGER & ASSOC EQUIP				\$0.00		
413	613			VALVES & FITTINGS		\$400,000.00		\$400,000.00		
414	614			INSTUMENTATION & ELECTRICAL				\$0.00		
415	615			RODS				\$0.00		
416	616			TRUCKING				\$0.00		
417	617			RE-ENTRY EQUIPMENT				\$0.00		
418	618			PRODUCTION EQUIPMENT		\$500,000.00		\$500,000.00		
419	619			MISCELLANEOUS				\$0.00		
420	620			OUTSIDE OPERATED				\$0.00		
421	621			TANGIBLE EQUIP-ACQUISITIONS				\$0.00		
422	622							\$0.00		
TOTAL TANGIBLE COSTS					\$1,010,000.00	\$0.00	\$1,000,000.00	\$2,010,000.00		
TOTAL ESTIMATED WELL COST					\$2,316,000.00	\$2,155,000.00	\$1,000,000.00	\$5,471,000.00		

PREPARED BY: Alex Bourland/Aaron Cebilly Senior Operations Engineer DATE: 1/25/2022

OPERATOR APPROVAL: [Signature] COO DATE: 1-27-2022

OPERATOR APPROVAL: [Signature] CEO or CFO DATE: 1/28/22

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

NOVO		NOVO OIL & GAS NORTHERN DELAWARE, LLC AUTHORIZATION FOR EXPENDITURE 1001 West Wabash, Suite 208 Oklahoma City, Oklahoma 73116 405-246-4391					
WELL NAME	Crookshod Fed 26 132H	AFE TYPE	Development	AFE NUMBER	2015172		
LATERAL LOCATION	107 FNL & 2.178' FNL	FIELD		PROPERTY NUMBER	30015-10172		
SURFACE LOCATION	178' FNL & 1.092' FNL	FORMATION	Third Bone Spring	DRILLING DAYS	14		
BOTTOM-HOLE LOCATION	10' FNL & 2.178' FNL	COUNTY	Eddy	DEPTH (TVD/TMD)	9527/15153'		
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for Novo SK Third Bone Spring horizontal well						
ACCT. CODE	DESCRIPTION OF EXPENDITURE			COST ESTIMATE			
IDC	ICC	TDC	TCC	DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX	500	PREFIX	400	WELL INTANGIBLE COSTS			
301	501			\$25,000.00			\$25,000.00
302	502			\$67,500.00			\$67,500.00
303	503			\$40,000.00			\$40,000.00
304	504						\$0.00
324	505			\$220,000.00			\$220,000.00
506					\$125,000.00		\$125,000.00
507							\$0.00
508							\$0.00
509	509			\$60,000.00			\$60,000.00
310	510			\$90,000.00			\$90,000.00
311	511			\$80,000.00			\$80,000.00
312	512			\$70,000.00	\$150,000.00		\$220,000.00
313	513			\$94,500.00	\$275,000.00		\$369,500.00
314	514			\$75,000.00			\$75,000.00
315	515						\$0.00
316	516			\$90,000.00	\$50,000.00		\$140,000.00
317	517			\$38,000.00			\$38,000.00
318	518						\$0.00
319	519			\$110,000.00			\$110,000.00
320	520				\$125,000.00		\$125,000.00
321	521						\$0.00
322	522			\$20,000.00	\$45,000.00		\$65,000.00
323	523						\$0.00
324	524				\$380,000.00		\$380,000.00
325	525				\$85,000.00		\$85,000.00
326	526			\$50,000.00	\$75,000.00		\$125,000.00
327	527				\$40,000.00		\$40,000.00
328	528						\$0.00
329	529			\$20,000.00	\$300,000.00		\$320,000.00
330	530			\$100,000.00	\$150,000.00		\$250,000.00
331	531						\$0.00
332	532						\$0.00
333	533			\$8,000.00	\$10,000.00		\$18,000.00
334	534				\$10,000.00		\$10,000.00
335	535			\$15,000.00			\$15,000.00
336	536						\$0.00
337	537			\$10,000.00			\$10,000.00
338	538						\$0.00
339	539						\$0.00
340	540						\$0.00
341	541						\$0.00
342	542						\$0.00
343	543			\$15,000.00	\$30,000.00		\$45,000.00
344	544			\$10,000.00	\$5,000.00		\$15,000.00
345	545						\$0.00
346	546						\$0.00
347	547						\$0.00
348	548						\$0.00
349	549				\$300,000.00		\$300,000.00
350	550						\$0.00
351	551						\$0.00
352	552						\$0.00
553							\$0.00
554							\$0.00
555							\$0.00
556							\$0.00
557							\$0.00
558							\$0.00
559							\$0.00
560							\$0.00
561							\$0.00
562							\$0.00
563							\$0.00
564							\$0.00
TOTAL WELL INTANGIBLE COSTS				\$1,306,000.00	\$2,155,000.00	\$0.00	\$3,461,000.00
WELL TANGIBLE COSTS							
401				\$25,000.00			\$25,000.00
402				\$25,000.00			\$25,000.00
403							\$0.00
404	804			\$470,000.00			\$470,000.00
405	605			\$450,000.00			\$450,000.00
406	606						\$0.00
407	607						\$0.00
408	608						\$0.00
409	609			\$40,000.00			\$40,000.00
610						\$160,000.00	\$160,000.00
611							\$0.00
612	612					\$400,000.00	\$400,000.00
613	613						\$0.00
614	614						\$0.00
615	615						\$0.00
616	616						\$0.00
617	617						\$0.00
420						\$500,000.00	\$500,000.00
634	634						\$0.00
647	647						\$0.00
648	648						\$0.00
649	649						\$0.00
TOTAL TANGIBLE COSTS				\$1,010,000.00	\$0.00	\$1,000,000.00	\$2,010,000.00
TOTAL ESTIMATED WELL COST				\$2,316,000.00	\$2,155,000.00	\$1,000,000.00	\$5,471,000.00

PREPARED BY: Alex Bourland/Aaron Caylor Senior Operations Engineer DATE: 1/25/2022

OPERATOR APPROVAL: [Signature] COO DATE: 1-27-2022

OPERATOR APPROVAL: [Signature] CEO or CFO DATE: 1/29/22

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

NOVO OIL & GAS NORTHERN DELAWARE, LLC AUTHORIZATION FOR EXPENDITURE 1001 West Waltham, Suite 206 Oklahoma City, Oklahoma 73116 405-216-4331									
WELL NAME		Coccol Fed 26 211H <th>AFE TYPE</th> <td colspan="2">Development <th>AFE NUMBER</th> <td colspan="2">2015173 </td></td>		AFE TYPE	Development <th>AFE NUMBER</th> <td colspan="2">2015173 </td>		AFE NUMBER	2015173	
LATERAL LOCATION		13W FSL & 1.254' FWL 25-22B-21E <th>FIELD</th> <td colspan="2"></td> <th>PROPERTY NUMBER</th> <td colspan="2">90015-10173</td>		FIELD			PROPERTY NUMBER	90015-10173	
SURFACE LOCATION		179 FNL & 1.052' FWL 35-22B-28E <th>FORMATION</th> <td colspan="2">Wolfcamp XY <th>DRILLING DAYS</th> <td colspan="2">14</td> </td>		FORMATION	Wolfcamp XY <th>DRILLING DAYS</th> <td colspan="2">14</td>		DRILLING DAYS	14	
BOTTOM-HOLE LOCATION		13W FNL & 1.254' FWL 25-22B-21E <th>COUNTY</th> <td colspan="2">Eddy <th>DEPTH (TVD/TMD)</th> <td colspan="2">96647/14847</td> </td>		COUNTY	Eddy <th>DEPTH (TVD/TMD)</th> <td colspan="2">96647/14847</td>		DEPTH (TVD/TMD)	96647/14847	
							STATE	NM	
PROJECT DESCRIPTION <i>Drilling, Completion & Facilities costs for Novo SK Wolfcamp XY horizontal well.</i>									
IOG	ACCT. CODE			DESCRIPTION OF EXPENDITURE	COST ESTIMATE				
	IOG	ICC	TDC		DRILLING	COMPLETIONS	FACILITIES	TOTAL	
PREFIX	500	PREFIX	600	WELL INTANGIBLE COSTS					
301	501			SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00	
302	502			LOCATION & ROAD	\$67,500.00			\$67,500.00	
303	503			ROG MOVE	\$40,000.00			\$40,000.00	
304	504			DRILLING - FOOTAGE				\$0.00	
305	505			DRILLING - DAYWORK	\$254,000.00			\$254,000.00	
506				COMPLETION WORKOVER RXG		\$125,000.00		\$125,000.00	
507				COIL TUBING/SUBSING UNIT				\$0.00	
508				SUCKLINE/SWABBING				\$0.00	
509	509			BITS	\$70,000.00			\$70,000.00	
510	510			DIRECTIONAL SERVICES	\$90,000.00			\$90,000.00	
511	511			CASING CREW	\$60,000.00			\$60,000.00	
512	512			TOOL & EQUIPMENT RENTAL	\$70,000.00	\$150,000.00		\$220,000.00	
513	513			FUEL & POWER	\$94,600.00	\$275,000.00		\$369,600.00	
514				DIESEL - BASE FOR MUD	\$75,000.00			\$75,000.00	
515	515			MUD LOGGING & GEOLOGIST		\$50,000.00		\$50,000.00	
516	516			DISPOSAL, RESTORATION & BACKFILL	\$80,000.00			\$80,000.00	
517	517			TRUCKING	\$36,000.00			\$36,000.00	
518				TESTING				\$0.00	
519	519			CEMENTING	\$120,000.00			\$120,000.00	
520	520			PERFORATING		\$125,000.00		\$125,000.00	
521				CASED HOLE LOGS				\$0.00	
522	522			DOWNHOLE TOOLS & SERVICE	\$20,000.00	\$45,000.00		\$65,000.00	
523	523			SCIENCE & DIAGNOSTICS				\$0.00	
524				FORMATION STIMULATION		\$380,000.00		\$380,000.00	
525	525			CONSULTING SERVICES/SUPERVISION	\$58,000.00	\$85,000.00		\$143,000.00	
527	527			CONTRACT LABOR / SERVICES		\$75,000.00		\$75,000.00	
528	528			OTHER LABOR		\$40,000.00		\$40,000.00	
529	529			OVERHEAD				\$0.00	
530	530			WATER - FRESH	\$20,000.00	\$300,000.00		\$320,000.00	
531	531			FLUIDS & CHEMICALS	\$120,000.00	\$160,000.00		\$280,000.00	
532	532			CORING & ANALYSIS				\$0.00	
533	533			COMMUNICATIONS	\$8,000.00	\$10,000.00		\$18,000.00	
534	534			BOP TESTING		\$10,000.00		\$10,000.00	
535	535			CO2/NITROGEN	\$15,000.00			\$15,000.00	
536	536			FISHING TOOLS & SERVICES				\$0.00	
537	537			INSPECTIONS	\$10,000.00			\$10,000.00	
538				WIRELINE SERVICES				\$0.00	
539	539			ENGINEERING & GEOLOGY - FIELD				\$0.00	
540	540			ENGINEERING & GEOLOGY - OFFICE				\$0.00	
541				MULTISHOT & GYRO				\$0.00	
542				RE-ENTRY SERVICES				\$0.00	
543	543			CAMPS & TRAILERS	\$15,000.00	\$30,000.00		\$45,000.00	
544	544			SAFETY EQUIPMENT & HSE	\$10,000.00	\$5,000.00		\$15,000.00	
545				CONTINGENCY				\$0.00	
546	546			INSURANCE				\$0.00	
547	547			MISCELLANEOUS				\$0.00	
548	548			OUTSIDE OPERATED				\$0.00	
549	549			SAND				\$0.00	
550	550			SAND LOGISTICS		\$300,000.00		\$300,000.00	
551	551			VACUUM TRUCK				\$0.00	
552	552			WATER - BRINE				\$0.00	
550				FACILITY TRUCKING				\$0.00	
561				FACILITY VACUUM TRUCK				\$0.00	
562				FACILITY CONSULTING SER/SUPERVISION				\$0.00	
563				FACILITY CONTRACT LABOR / SER.				\$0.00	
564				FACILITY SURFACE RENTAL				\$0.00	
				S&W-OPS				\$0.00	
TOTAL WELL INTANGIBLE COSTS					\$1,388,000.00	\$2,155,000.00	\$0.00	\$3,543,000.00	
WELL TANGIBLE COSTS									
401				CASING - CONDUCTOR	\$25,000.00			\$25,000.00	
402				CASING - SURFACE	\$25,000.00			\$25,000.00	
403				CASING - BALT STRONG	\$0.00			\$0.00	
404				CASING - INTERMEDIATE	\$570,000.00			\$570,000.00	
405				CASING - PRODUCTION / LINER	\$468,000.00			\$468,000.00	
406				SUBSURFACE EQUIPMENT				\$0.00	
407				PRODUCTION TUBING				\$0.00	
408				SUBSURFACE PUMPING EQUIPMENT				\$0.00	
409				WELLHEAD EQUIPMENT	\$40,000.00			\$40,000.00	
610				FLOWLINES			\$100,000.00	\$100,000.00	
611				SURFACE PUMPING EQUIPMENT				\$0.00	
612				LINER HANGER & ASSOC EQUIP			\$400,000.00	\$400,000.00	
613				VALVES & FITTINGS				\$0.00	
614				INSTRUMENTATION & ELECTRICAL				\$0.00	
615				RODS				\$0.00	
417				TRUCKING				\$0.00	
420				RE-ENTRY EQUIPMENT			\$500,000.00	\$500,000.00	
634				PRODUCTION EQUIPMENT				\$0.00	
447				MISCELLANEOUS				\$0.00	
448				OUTSIDE OPERATED				\$0.00	
649				TANGIBLE EQUIP-ACQUISITIONS				\$0.00	
TOTAL TANGIBLE COSTS					\$1,128,000.00	\$0.00	\$1,000,000.00	\$2,128,000.00	
TOTAL ESTIMATED WELL COST					\$2,516,000.00	\$2,155,000.00	\$1,000,000.00	\$5,671,000.00	

PREPARED BY: Alex Bourland/Aaron Calkley Senior Operations Engineer DATE: 1/23/2022

OPERATOR APPROVAL: [Signature] COO DATE: 1-27-2022

OPERATOR APPROVAL: [Signature] CEO or CFO DATE: 1/28/22

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportional share of the actual costs.

NOVO OIL & GAS NORTHERN DELAWARE, LLC											
AUTHORIZATION FOR EXPENDITURE											
1001 West Wichita, Suite 208 Oklahoma City, Oklahoma 73116 405-226-4381											
WELL NAME		Cocobot Fed 28 212H		AFE TYPE	Development		AFE NUMBER	2015174			
LATERAL LOCATION		130' FSL & 1.51# FWL		FIELD	26-22S-28E		PROPERTY NUMBER	30015-10174			
SURFACE LOCATION		179' FNL & 1.1# FWL		FORMATION	Wolcamp XY		DRILLING DAYS	14			
BOTTOM-HOLE LOCATION		130' FNL & 1.51# FWL		COUNTY	Eddy		DEPTH (TVD/TMD)	9679/14873			
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for Novo OK Wolcamp XY horizontal well.								STATE	OK
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE			
IDC	ICC	TDC	TCC					DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX	PREFIX	PREFIX	PREFIX	WELL INTANGIBLE COSTS							
900	600	400	600								
301	601			SURVEY/PERMITS/DAMAGES				\$25,000.00			\$25,000.00
302	602			LOCATION & ROAD				\$67,500.00			\$67,500.00
303				RIG MOVE				\$40,000.00			\$40,000.00
304				DRILLING - FOOTAGE							\$0.00
305	605			DRILLING - DAYWORK				\$254,000.00			\$254,000.00
306				COMPLETION/WORKOVER RIG					\$125,000.00		\$125,000.00
307				COIL TUBING/SUBSING LIFT							\$0.00
308	608			SLICKLINE/SWABBER							\$0.00
309	609			BITS				\$70,000.00			\$70,000.00
310	610			DIRECTIONAL SERVICES				\$90,000.00			\$90,000.00
311	611			CASING CREW				\$80,000.00			\$80,000.00
312	612			TOOL & EQUIPMENT RENTAL				\$70,000.00	\$150,000.00		\$220,000.00
313	613			FUEL & POWER				\$84,500.00	\$275,000.00		\$359,500.00
314				DIESEL - BASE FOR MUD				\$75,000.00			\$75,000.00
315	615			MUD LOGGING & GEOLOGIST							\$0.00
316	616			DISPOSAL, RESTORATION & BACKFILL				\$90,000.00	\$50,000.00		\$140,000.00
317	617			TRUCKING				\$36,000.00			\$36,000.00
318				TESTING							\$0.00
319	619			CEMENTING				\$120,000.00			\$120,000.00
320	620			PERFORATING					\$125,000.00		\$125,000.00
321	621			CASED HOLE LOGS							\$0.00
322	622			DOWNHOLE TOOLS & SERVICE				\$20,000.00	\$45,000.00		\$65,000.00
323	623			SCIENCE & DIAGNOSTICS							\$0.00
324	624			FORMATION STRATIFICATION					\$380,000.00		\$380,000.00
325	625			CONSULTING SERVICES/SUPERVISION				\$58,000.00	\$85,000.00		\$143,000.00
327	627			CONTRACT LABOR / SERVICES				\$75,000.00			\$75,000.00
328	628			OTHER LABOR					\$40,000.00		\$40,000.00
329	629			OVERHEAD							\$0.00
330	630			WATER - FRESH				\$20,000.00	\$300,000.00		\$320,000.00
331	631			FLUIDS & CHEMICALS				\$120,000.00	\$150,000.00		\$270,000.00
332	632			CORING & ANALYSIS							\$0.00
333	633			COMMUNICATIONS				\$8,000.00	\$10,000.00		\$18,000.00
334	634			ROP TESTING					\$10,000.00		\$10,000.00
335	635			CO2/NITROGEN				\$15,000.00			\$15,000.00
336	636			FISHING TOOLS & SERVICES							\$0.00
337	637			INSPECTIONS				\$10,000.00			\$10,000.00
338				WIRELINE SERVICES							\$0.00
339	639			ENGINEERING & GEOLOGY - FIELD							\$0.00
340	640			ENGINEERING & GEOLOGY - OFFICE							\$0.00
341				MULTISHOT & GYRO							\$0.00
342	642			RE-ENTRY SERVICES							\$0.00
343	643			CAMPS & TRAILERS				\$15,000.00	\$30,000.00		\$45,000.00
344	644			SAFETY EQUIPMENT & H2S				\$10,000.00	\$5,000.00		\$15,000.00
345				CONTINGENCY							\$0.00
346	646			INSURANCE							\$0.00
347	647			UNSCHEMATIC							\$0.00
348	648			OUTSIDE OPERATED							\$0.00
349	649			BAWD							\$0.00
350	650			SAND LOGISTICS					\$300,000.00		\$300,000.00
351	651			VACUUM TRUCK							\$0.00
352	652			WATER - BRINE							\$0.00
650				FACILITY TRUCKING							\$0.00
651				FACILITY VACUUM TRUCK							\$0.00
652				FACILITY CONSULTING SER/SUPERVISION							\$0.00
653				FACILITY CONTRACT LABOR / SER							\$0.00
654				FACILITY SURFACE RENTAL							\$0.00
				SIN-OPS							\$0.00
TOTAL WELL INTANGIBLE COSTS							\$1,368,000.00	\$2,155,000.00	\$0.00	\$3,523,000.00	
WELL TANGIBLE COSTS											
		401		CASING - CONDUCTOR				\$25,000.00			\$25,000.00
		402		CASING - SURFACE				\$25,000.00			\$25,000.00
		403		CASING - SALT STRONG							\$0.00
		404	604	CASING - INTERMEDIATE				\$570,000.00			\$570,000.00
		405	605	CASING - PRODUCTION / LINER				\$468,000.00			\$468,000.00
		406	606	SUBSURFACE EQUIPMENT							\$0.00
		607		PRODUCTION TUBING							\$0.00
		608		SUBSURFACE PUMPING EQUIPMENT							\$0.00
		409	609	WELLHEAD EQUIPMENT				\$40,000.00		\$100,000.00	\$140,000.00
		610		FLOWLINES							\$0.00
		611		SURFACE PUMPING EQUIPMENT							\$0.00
		412	612	LINER HANGER & ASSOC EQUIP						\$400,000.00	\$400,000.00
		613		VALVES & FITTINGS							\$0.00
		614		INSTRUMENTATION & ELECTRICAL							\$0.00
		615		RODS							\$0.00
		417	617	TRUCKING							\$0.00
		420		RE-ENTRY EQUIPMENT						\$500,000.00	\$500,000.00
		634		PRODUCTION EQUIPMENT							\$0.00
		447	647	UNSCHEMATIC							\$0.00
		448	648	OUTSIDE OPERATED							\$0.00
		649		TANGIBLE EQUIP ACQUISITIONS							\$0.00
TOTAL TANGIBLE COSTS							\$1,128,000.00	\$0.00	\$1,000,000.00	\$2,128,000.00	
TOTAL ESTIMATED WELL COST							DRILLING	COMPLETIONS	FACILITIES	TOTAL	
							\$2,616,000.00	\$2,155,000.00	\$1,000,000.00	\$5,671,000.00	

PREPARED BY: Alex Bourland/Arlyn Carter Senior Operations Engineer DATE: 1/25/2022
 OPERATOR APPROVAL: [Signature] COO DATE: 1-27-2022
 OPERATOR APPROVAL: [Signature] CEO or CFO DATE: 1/28/22
 PARTNER COMPANY NAME: _____ DATE: _____
 PARTNER APPROVAL: _____
 TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the cost of costs.

NOVO OIL & GAS NORTHERN DELAWARE, LLC AUTHORIZATION FOR EXPENDITURE 1001 West Washline, Suite 206 Oklahoma City, Oklahoma 73116 405-296-4331													
WELL NAME		Crescent Fed 26 231H <th colspan="2">AFE TYPE</th> <td colspan="2">Development <th colspan="2">AFE NUMBER</th> <td colspan="2">2015175</td> </td>		AFE TYPE		Development <th colspan="2">AFE NUMBER</th> <td colspan="2">2015175</td>		AFE NUMBER		2015175			
LATERAL LOCATION		137 FNL & 130 FWL <th colspan="2">FIELD</th> <td colspan="2">26-22S-28E <th colspan="2">PROPERTY NUMBER</th> <td colspan="2">30015-10175</td> </td>		FIELD		26-22S-28E <th colspan="2">PROPERTY NUMBER</th> <td colspan="2">30015-10175</td>		PROPERTY NUMBER		30015-10175			
SURFACE LOCATION		17S FNL & 1.03Z FWL <th colspan="2">FORMATION</th> <td colspan="2">Wolcamp B <th colspan="2">DRILLING DAYS</th> <td colspan="2">14</td> </td>		FORMATION		Wolcamp B <th colspan="2">DRILLING DAYS</th> <td colspan="2">14</td>		DRILLING DAYS		14			
BOTTOM/HOLE LOCATION		137 FNL & 130 FWL <th colspan="2">COUNTY</th> <td colspan="2">Eddy <th colspan="2">DEPTH (TVD/TMO)</th> <td colspan="2">10364719525'</td> </td>		COUNTY		Eddy <th colspan="2">DEPTH (TVD/TMO)</th> <td colspan="2">10364719525'</td>		DEPTH (TVD/TMO)		10364719525'			
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for Novo SK Wellcamp B horizontal well.											
ACCT. CODE		DESCRIPTION OF EXPENDITURE						COST ESTIMATE					
IDC	IOC	TDC	TOC							DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX	600	PREFIX	600	WELL INTANGIBLE COSTS									
301	601			SURVEY/PERMITS/DAMAGES						\$25,000.00			\$25,000.00
302	602			LOCATION & ROAD						\$67,500.00			\$67,500.00
303	603			RIG MOVE						\$40,000.00			\$40,000.00
304	604			DRILLING - FOOTAGE									\$0.00
305	605			DRILLING - DAYWORK						\$254,000.00			\$254,000.00
506	606			COMPLETION/WORKOVER RIG							\$125,000.00		\$125,000.00
507	607			COIL TUBING/SUBSTRING UNIT									\$0.00
509	609			SLICKLINE/SWABBING						\$70,000.00			\$70,000.00
609	609			BITS						\$90,000.00			\$90,000.00
610	610			DIRECTIONAL SERVICES						\$60,000.00			\$60,000.00
611	611			CASING CREW						\$70,000.00	\$150,000.00		\$220,000.00
612	612			TOOL & EQUIPMENT RENTAL						\$94,500.00	\$275,000.00		\$369,500.00
613	613			FUEL & POWER						\$75,000.00			\$75,000.00
614	614			DIESEL - BASE FOR MUD									\$0.00
615	615			MUD LOGGING & GEOLOGIST						\$90,000.00	\$50,000.00		\$140,000.00
616	616			DISPOSAL, RESTORATION & BACKFILL						\$38,000.00			\$38,000.00
617	617			TRUCKING									\$0.00
618	618			TESTING									\$0.00
619	619			CEMENTING						\$120,000.00			\$120,000.00
620	620			PERFORATING							\$140,000.00		\$140,000.00
621	621			CASED HOLE LOGS									\$0.00
622	622			DOWNHOLE TOOLS & SERVICE						\$20,000.00			\$20,000.00
623	623			SCIENCE & DIAGNOSTICS									\$0.00
624	624			FORMATION STIMULATION							\$380,000.00		\$380,000.00
625	625			CONSULTING SERVICES/SUPERVISION						\$58,000.00	\$85,000.00		\$143,000.00
627	627			CONTRACT LABOR / SERVICES						\$78,000.00			\$78,000.00
628	628			OTHER LABOR						\$40,000.00			\$40,000.00
629	629			OVERHEAD									\$0.00
630	630			WATER - FRESH						\$20,000.00	\$325,000.00		\$345,000.00
631	631			FLUIDS & CHEMICALS						\$120,000.00	\$160,000.00		\$280,000.00
632	632			CORING & ANALYSIS									\$0.00
633	633			COMMUNICATIONS						\$8,000.00	\$10,000.00		\$18,000.00
634	634			ROP TESTING							\$10,000.00		\$10,000.00
635	635			CO2/NITROGEN						\$15,000.00			\$15,000.00
636	636			FISHING TOOLS & SERVICES									\$0.00
637	637			INSPECTIONS						\$10,000.00			\$10,000.00
638	638			WIRELINE SERVICES									\$0.00
639	639			ENGINEERING & GEOLOGY - FIELD									\$0.00
640	640			ENGINEERING & GEOLOGY - OFFICE									\$0.00
641	641			MULTISHOT & GYRO									\$0.00
642	642			RE-ENTRY SERVICES									\$0.00
643	643			CAVPS & TRAILERS						\$15,000.00	\$30,000.00		\$45,000.00
644	644			SAFETY EQUIPMENT & H2S						\$10,000.00	\$5,000.00		\$15,000.00
645	645			CONTINGENCY									\$0.00
646	646			INSURANCE									\$0.00
647	647			MISCELLANEOUS									\$0.00
648	648			OUTSIDE OPERATED									\$0.00
649	649			SAND									\$0.00
650	650			SAND LOGISTICS							\$300,000.00		\$300,000.00
651	651			VACUUM TRUCK									\$0.00
652	652			WATER - BRINE									\$0.00
653	653			FACILITY TRUCKING									\$0.00
654	654			FACILITY VACUUM TRUCK									\$0.00
655	655			FACILITY CONSULTING SER/SUPERVISION									\$0.00
656	656			FACILITY CONTRACT LABOR / SER.									\$0.00
657	657			FACILITY SURFACE RENTAL									\$0.00
658	658			EM-OPS									\$0.00
TOTAL WELL INTANGIBLE COSTS								\$1,388,000.00	\$2,195,000.00	\$0.00	\$3,583,000.00		
WELL TANGIBLE COSTS													
401				CASING - CONDUCTOR						\$25,000.00			\$25,000.00
402				CASING - SURFACE						\$25,000.00			\$25,000.00
403				CASING - SALT STRONG						\$0.00			\$0.00
404	604			CASING - INTERMEDIATE						\$570,000.00			\$570,000.00
405	605			CASING - PRODUCTION/LINER						\$468,000.00			\$468,000.00
406	606			SUBSURFACE EQUIPMENT									\$0.00
407	607			PRODUCTION TUBING									\$0.00
408	608			SUBSURFACE PUMPING EQUIPMENT									\$0.00
409	609			WELLHEAD EQUIPMENT						\$40,000.00			\$40,000.00
610				FLOWLINES							\$100,000.00		\$100,000.00
611				SURFACE PUMPING EQUIPMENT									\$0.00
612				LINER HANGER & ASSOC EQUIP									\$0.00
613				VALVES & FITTINGS							\$400,000.00		\$400,000.00
614				INSTUMENTATION & ELECTRICAL									\$0.00
615				ROOS									\$0.00
617	617			TRUCKING									\$0.00
420				RE-ENTRY EQUIPMENT									\$0.00
634				PRODUCTION EQUIPMENT							\$500,000.00		\$500,000.00
447	647			MISCELLANEOUS									\$0.00
448	648			OUTSIDE OPERATED									\$0.00
649				TANGIBLE EQUIP-ACQUISITIONS									\$0.00
TOTAL TANGIBLE COSTS								\$1,128,000.00	\$0.00	\$1,000,000.00	\$2,128,000.00		
TOTAL ESTIMATED WELL COST								\$2,516,000.00	\$2,195,000.00	\$1,000,000.00	\$5,711,000.00		

PREPARED BY: Alex Bourland/Alex Collier Senior Operations Engineer DATE: 1/25/2022

OPERATOR APPROVAL: [Signature] COO DATE: 1-27-2022

OPERATOR APPROVAL: [Signature] CEO or CFO DATE: 1/28/22

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

NOVO		NOVO OIL & GAS NORTHERN DELAWARE, LLC AUTHORIZATION FOR EXPENDITURE 1001 West Willshire, Suite 205 Oklahoma City, Oklahoma 73116 405-288-4391							
WELL NAME	Crabfoot Fed 28 222H	AFE TYPE	Development	AFE NUMBER	2015178				
LATERAL LOCATION	330' FNL & 1.870' FWL	FIELD	26-228-21E	PROPERTY NUMBER	30015-10178				
SURFACE LOCATION	178' FNL & 1.072' FWL	FORMATION	Wellsamp B	DRILLING DAYS	14				
BOTTOM-HOLE LOCATION	130' FNL & 1.870' FWL	COUNTY	Eddy	DEPTH (TVDTMD)	10384/15667				
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for Novo SK Wellsamp B horizontal well.				STATE	NM			
IDC	IOC	TDC	TOC	AGCT CODE	DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
						DRILLING	COMPLETIONS	FACILITIES	TOTAL
WELL INTANGIBLE COSTS									
301	501			500	SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00
302	502			400	LOCATION & ROAD	\$67,500.00			\$67,500.00
303					RIG MOVE	\$40,000.00			\$40,000.00
304					DRILLING - FOOTAGE				\$0.00
305	505				DRILLING - DAYWORK	\$254,000.00			\$254,000.00
306	506				COMPLETION/WORKOVER RIG		\$125,000.00		\$125,000.00
307	507				COL. TUBING/SHUBBING UNIT				\$0.00
308	508				BUCKLINE/WASSING				\$0.00
309	509				BITS	\$70,000.00			\$70,000.00
310	510				DIRECTIONAL SERVICES	\$90,000.00			\$90,000.00
311	511				CASING CREW	\$80,000.00			\$80,000.00
312	512				TOOL & EQUIPMENT RENTAL	\$70,000.00	\$150,000.00		\$220,000.00
313	513				FUEL & POWER	\$94,500.00	\$275,000.00		\$369,500.00
314					DIESEL - BASE FOR MUJ	\$75,000.00			\$75,000.00
315	515				MUD LOGGING & GEOLOGIST				\$0.00
316	516				DISPOSAL, RESTORATION & BACKFILL	\$90,000.00	\$50,000.00		\$140,000.00
317	517				TRUCKING	\$36,000.00			\$36,000.00
318	518				TESTING				\$0.00
319	519				CEMENTING	\$120,000.00			\$120,000.00
320	520				PERFORATING		\$140,000.00		\$140,000.00
321	521				CASED HOLE LOGS				\$0.00
322	522				DOWNHOLE TOOLS & SERVICE	\$20,000.00	\$45,000.00		\$65,000.00
323	523				SCIENCE & DIAGNOSTICS				\$0.00
324	524				FORMATION STIMULATION		\$390,000.00		\$390,000.00
325	525				CONSULTING SERVICES/SUPERVISION	\$58,000.00	\$85,000.00		\$143,000.00
327	527				CONTRACT LABOR / SERVICES		\$75,000.00		\$75,000.00
328	528				OTHER LABOR		\$40,000.00		\$40,000.00
329	529				OVERHEAD				\$0.00
330	530				WATER - FRESH	\$20,000.00	\$325,000.00		\$345,000.00
331	531				FLUIDS & CHEMICALS	\$120,000.00	\$150,000.00		\$270,000.00
332	532				CORING & ANALYSIS				\$0.00
333	533				COMMUNICATIONS	\$8,000.00	\$10,000.00		\$18,000.00
334	534				ROP TESTING		\$10,000.00		\$10,000.00
335	535				CO2/NITROGEN	\$15,000.00			\$15,000.00
336	536				FISHING TOOLS & SERVICES				\$0.00
337	537				INSPECTIONS	\$10,000.00			\$10,000.00
338	538				WIRELINE SERVICES				\$0.00
339	539				ENGINEERING & GEOLOGY - FIELD				\$0.00
340	540				ENGINEERING & GEOLOGY - OFFICE				\$0.00
341	541				MULTISHOT & GYRO				\$0.00
342	542				RE-ENTRY SERVICES				\$0.00
343	543				CAMPS & TRAILERS	\$15,000.00	\$30,000.00		\$45,000.00
344	544				SAFETY EQUIPMENT & H2S	\$10,000.00	\$5,000.00		\$15,000.00
345	545				CONTINGENCY				\$0.00
346	546				INSURANCE				\$0.00
347	547				MISCELLANEOUS				\$0.00
348	548				OUTSIDE OPERATED				\$0.00
349	549				SAND				\$0.00
350	550				SAND LOGISTICS		\$300,000.00		\$300,000.00
351	551				VACUUM TRUCK				\$0.00
352	552				WATER - BRINE				\$0.00
353	553				FACILITY TRUCKING				\$0.00
354	554				FACILITY VACUUM TRUCK				\$0.00
355	555				FACILITY CONSULTING SER./SUPERVISION				\$0.00
356	556				FACILITY CONTRACT LABOR / SER.				\$0.00
357	557				FACILITY SURFACE RENTAL				\$0.00
358	558				S/M OPS				\$0.00
TOTAL WELL INTANGIBLE COSTS						\$1,388,000.00	\$2,195,000.00	\$0.00	\$3,583,000.00
WELL TANGIBLE COSTS									
	401				CASING - CONDUCTOR	\$25,000.00			\$25,000.00
	402				CASING - SURFACE	\$25,000.00			\$25,000.00
	403				CASING - SALT STRONG				\$0.00
	404	604			CASING - INTERMEDIATE	\$570,000.00			\$570,000.00
	405	605			CASING - PRODUCTION / LINER	\$468,000.00			\$468,000.00
	406	606			SUBSURFACE EQUIPMENT				\$0.00
	407	607			PRODUCTION TUBING				\$0.00
	408	608			SUBSURFACE PUMPING EQUIPMENT				\$0.00
	409	609			WELLHEAD EQUIPMENT	\$40,000.00			\$40,000.00
	410	610			FLOWLINES			\$100,000.00	\$100,000.00
	411	611			SURFACE PUMPING EQUIPMENT				\$0.00
	412	612			LINER HANGER & ASSOC EQUIP.				\$0.00
	413	613			VALVES & FITTINGS			\$400,000.00	\$400,000.00
	414	614			INSTURMENTATION & ELECTRICAL				\$0.00
	415	615			RODS				\$0.00
	417	617			TRUCKING				\$0.00
	420	620			RE-ENTRY EQUIPMENT				\$0.00
	421	621			PRODUCTION EQUIPMENT			\$500,000.00	\$500,000.00
	447	647			MISCELLANEOUS				\$0.00
	448	648			OUTSIDE OPERATED				\$0.00
	449	649			TANGIBLE EQUIP-ACQUISITIONS				\$0.00
TOTAL TANGIBLE COSTS						\$1,128,000.00	\$0.00	\$1,000,000.00	\$2,128,000.00
TOTAL ESTIMATED WELL COST						\$2,516,000.00	\$2,195,000.00	\$1,000,000.00	\$5,711,000.00

PREPARED BY: Alex Bowland/Aaron Cateley Sector Operations Engineer DATE: 1/23/2022

OPERATOR APPROVAL: *[Signature]* COO DATE: 1-27-2022

OPERATOR APPROVAL: *[Signature]* CEO or CFO DATE: 1/29/22

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

The costs of the AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

NOVO OIL & GAS NORTHERN DELAWARE, LLC AUTHORIZATION FOR EXPENDITURE 1001 West Wilshire, Suite 206 Oklahoma City, Oklahoma 73116 405-286-4391											
WELL NAME		Crocobot Fed 26 231H		AFE TYPE	Development	AFE NUMBER	2015175				
LATERAL LOCATION		330' FSL & 330' FWL		FIELD		PROPERTY NUMBER	30015-10175				
SURFACE LOCATION		175' FNL & 1,032' FWL		FORMATION	Wolfcamp B	DRILLING DAYS	14				
BOTTOM-HOLE LOCATION		130' FNL & 330' FWL		COUNTY	Eddy	DEPTH (TVD/TMD)	10364/15625'				
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for Novo 5K Wolfcamp B horizontal well.								STATE	NM
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE			
IDC	ICC	TDC	TCC					DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX	500	PREFIX	600								
WELL INTANGIBLE COSTS											
301	501			SURVEY/PERMITS/DAMAGES				\$75,000.00			\$75,000.00
302	502			LOCATION & ROAD				\$120,000.00			\$120,000.00
303				RIG MOVE				\$100,000.00			\$100,000.00
304				DRILLING - FOOTAGE							\$0.00
305	505			DRILLING - DAYWORK				\$350,000.00			\$350,000.00
506				COMPLETION/WORKOVER RIG					\$150,000.00		\$150,000.00
507				COIL TUBING/SNUBBING UNIT							\$0.00
508				SLICKLINE/SWABBING							\$0.00
509	509			BITS				\$80,000.00			\$80,000.00
510	510			DIRECTIONAL SERVICES				\$164,000.00			\$164,000.00
511	511			CASING CREW				\$40,000.00			\$40,000.00
512	512			TOOL & EQUIPMENT RENTAL				\$51,000.00	\$150,000.00		\$201,000.00
513	513			FUEL & POWER				\$120,100.00	\$450,000.00		\$570,100.00
514				DIESEL - BASE FOR MUD				\$50,000.00			\$50,000.00
515	515			MUD LOGGING & GEOLOGIST				\$20,000.00			\$20,000.00
516	516			DISPOSAL, RESTORATION & BACKFILL				\$80,000.00	\$50,000.00		\$130,000.00
517	517			TRUCKING				\$80,000.00			\$80,000.00
518				TESTING							\$0.00
519	519			CEMENTING				\$125,000.00			\$125,000.00
520	520			PERFORATING					\$140,000.00		\$140,000.00
521				CASED HOLE LOGS							\$0.00
522	522			DOWNHOLE TOOLS & SERVICE				\$40,000.00	\$45,000.00		\$85,000.00
523	523			SCIENCE & DIAGNOSTICS							\$0.00
524	524			FORMATION STIMULATION					\$575,000.00		\$575,000.00
526	526			CONSULTING SERVICES/SUPERVISION				\$58,000.00	\$90,000.00		\$148,000.00
527	527			CONTRACT LABOR / SERVICES				\$42,000.00	\$75,000.00		\$117,000.00
528	528			OTHER LABOR					\$40,000.00		\$40,000.00
529	529			OVERHEAD							\$0.00
530	530			WATER - FRESH				\$80,000.00	\$375,000.00		\$455,000.00
531	531			FLUIDS & CHEMICALS				\$150,000.00	\$200,000.00		\$350,000.00
532	532			CORING & ANALYSIS							\$0.00
533	533			COMMUNICATIONS				\$8,000.00	\$10,000.00		\$18,000.00
534	534			BOP TESTING				\$20,000.00	\$10,000.00		\$30,000.00
535	535			CO2/NITROGEN							\$0.00
536	536			FISHING TOOLS & SERVICES							\$0.00
537	537			INSPECTIONS				\$20,000.00			\$20,000.00
538				WIRELINE SERVICES							\$0.00
539	539			ENGINEERING & GEOLOGY - FIELD							\$0.00
540	540			ENGINEERING & GEOLOGY - OFFICE							\$0.00
541				MULTISHOT & GYRO							\$0.00
542				RE-ENTRY SERVICES							\$0.00
543	543			CAMPS & TRAILERS				\$30,000.00	\$30,000.00		\$60,000.00
544	544			SAFETY EQUIPMENT & H2S				\$10,000.00	\$5,000.00		\$15,000.00
545				CONTINGENCY							\$0.00
546	546			INSURANCE							\$0.00
547	547			MISCELLANEOUS							\$0.00
548	548			OUTSIDE OPERATED							\$0.00
549	549			SAND					\$350,000.00		\$350,000.00
550	550			SAND LOGISTICS					\$225,000.00		\$225,000.00
551	551			VACUUM TRUCK							\$0.00
552	552			WATER - BRINE							\$0.00
560				FACILITY TRUCKING							\$0.00
561				FACILITY VACUUM TRUCK							\$0.00
562				FACILITY CONSULTING SER./SUPERVISION							\$0.00
563				FACILITY CONTRACT LABOR / SER.							\$0.00
564				FACILITY SURFACE RENTAL							\$0.00
				SIM-OPS							\$0.00
TOTAL WELL INTANGIBLE COSTS							\$1,883,100.00	\$2,970,000.00	\$0.00	\$4,853,100.00	
WELL TANGIBLE COSTS											
401				CASING - CONDUCTOR				\$40,000.00			\$40,000.00
402				CASING - SURFACE				\$78,900.00			\$78,900.00
403				CASING - SALT STRING				\$0.00			\$0.00
404	604			CASING - INTERMEDIATE				\$600,000.00			\$600,000.00
405	605			CASING - PRODUCTION / LINER				\$570,000.00			\$570,000.00
406	606			SUBSURFACE EQUIPMENT							\$0.00
607				PRODUCTION TUBING					\$250,000.00		\$250,000.00
608				SUBSURFACE PUMPING EQUIPMENT							\$0.00
409	609			WELLHEAD EQUIPMENT				\$40,000.00			\$40,000.00
610				FLOWLINES						\$200,000.00	\$200,000.00
611				SURFACE PUMPING EQUIPMENT							\$0.00
412	612			LINER HANGER & ASSOC EQUIP							\$0.00
613				VALVES & FITTINGS						\$500,000.00	\$500,000.00
614				INSTUMENTATION & ELECTRICAL							\$0.00
615				RODS							\$0.00
617	617			TRUCKING							\$0.00
420				RE-ENTRY EQUIPMENT							\$0.00
634				PRODUCTION EQUIPMENT						\$500,000.00	\$500,000.00
447	647			MISCELLANEOUS							\$0.00
448	648			OUTSIDE OPERATED							\$0.00
649				TANGIBLE EQUIP-ACQUISITIONS							\$0.00
TOTAL TANGIBLE COSTS							\$1,328,900.00	\$250,000.00	\$1,300,000.00	\$2,878,900.00	
TOTAL ESTIMATED WELL COST							\$3,212,000.00	\$3,220,000.00	\$1,300,000.00	\$7,732,000.00	

PREPARED BY: Alex Bourland/Jaron Catlett Senior Operations Engineer DATE: 8/30/2022
 OPERATOR APPROVAL: [Signature] COO DATE: 8/30/2022
 OPERATOR APPROVAL: [Signature] CEO or CFO DATE: 8/30/22

PARTNER COMPANY NAME: _____ DATE: _____


PARTNER APPROVAL: _____


TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

NOVO OIL & GAS NORTHERN DELAWARE, LLC											
AUTHORIZATION FOR EXPENDITURE											
1001 West Wishire, Suite 206 Oklahoma City, Oklahoma 73118 405-286-4391											
WELL NAME	Crosbet Fed 26 232H <th>AFE TYPE</th> <td>Development <th>AFE NUMBER</th> <td colspan="3">2015176</td> </td>			AFE TYPE	Development <th>AFE NUMBER</th> <td colspan="3">2015176</td>	AFE NUMBER	2015176				
LATERAL LOCATION	330' FSL & 1.870' FWL			FIELD		PROPERTY NUMBER	30015-10176				
SURFACE LOCATION	175' FNL & 1.072' FWL			FORMATION	Wolfcamp B	DRILLING DAYS	14				
BOTTOM-HOLE LOCATION	130' FNL & 1.870' FWL			COUNTY	Eddy	DEPTH (TVD/TMD)	10384/15660'				
PROJECT DESCRIPTION						STATE					
Drilling, Completion & Facilities costs for Novo SK Wolfcamp B horizontal well.						NM					
ACCT. CODE				DESCRIPTION OF EXPENDITURE				COST ESTIMATE			
IDC	ICC	TDC	TCC					DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600	WELL INTANGIBLE COSTS							
301	501			SURVEY/PERMITS/DAMAGES				\$75,000.00			\$75,000.00
302	502			LOCATION & ROAD				\$120,000.00			\$120,000.00
303				RIG MOVE				\$100,000.00			\$100,000.00
304				DRILLING - FOOTAGE							\$0.00
305	505			DRILLING - DAYWORK				\$350,000.00			\$350,000.00
	506			COMPLETION/WORKOVER RIG					\$150,000.00		\$150,000.00
	507			COIL TUBING/SNUBBING UNIT							\$0.00
	508			SLICKLINE/SWABBING							\$0.00
309	509			BITS				\$90,000.00			\$90,000.00
310	510			DIRECTIONAL SERVICES				\$184,000.00			\$184,000.00
311	511			CASING CREW				\$40,000.00			\$40,000.00
312	512			TOOL & EQUIPMENT RENTAL				\$51,000.00	\$150,000.00		\$201,000.00
313	513			FUEL & POWER				\$120,100.00	\$450,000.00		\$570,100.00
314				DIESEL - BASE FOR MUD				\$50,000.00			\$50,000.00
315	515			MUD LOGGING & GEOLOGIST				\$20,000.00			\$20,000.00
316	516			DISPOSAL, RESTORATION & BACKFILL				\$90,000.00	\$50,000.00		\$140,000.00
317	517			TRUCKING				\$60,000.00			\$60,000.00
	518			TESTING							\$0.00
319	519			CEMENTING				\$125,000.00			\$125,000.00
320	520			PERFORATING					\$140,000.00		\$140,000.00
	521			CASED HOLE LOGS							\$0.00
322	522			DOWNHOLE TOOLS & SERVICE				\$40,000.00	\$45,000.00		\$85,000.00
323	523			SCIENCE & DIAGNOSTICS							\$0.00
324	524			FORMATION STIMULATION					\$575,000.00		\$575,000.00
326	526			CONSULTING SERVICES/SUPERVISION				\$58,000.00	\$90,000.00		\$148,000.00
327	527			CONTRACT LABOR / SERVICES				\$42,000.00			\$117,000.00
328	528			OTHER LABOR					\$40,000.00		\$40,000.00
329	528			OVERHEAD							\$0.00
330	530			WATER - FRESH				\$60,000.00	\$375,000.00		\$435,000.00
331	531			FLUIDS & CHEMICALS				\$150,000.00	\$200,000.00		\$350,000.00
332	532			CORING & ANALYSIS							\$0.00
333	533			COMMUNICATIONS				\$8,000.00	\$10,000.00		\$18,000.00
334	534			BOP TESTING				\$20,000.00	\$10,000.00		\$30,000.00
335	535			CO2/NITROGEN							\$0.00
336	536			FISHING TOOLS & SERVICES							\$0.00
337	537			INSPECTIONS				\$20,000.00			\$20,000.00
338				WIRELINE SERVICES							\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD							\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE							\$0.00
341				MULTISHOT & CYRO							\$0.00
342				RE-ENTRY SERVICES							\$0.00
343	543			CAMPS & TRAILERS				\$30,000.00	\$30,000.00		\$60,000.00
344	544			SAFETY EQUIPMENT & H2S				\$10,000.00	\$5,000.00		\$15,000.00
345				CONTINGENCY							\$0.00
346	546			INSURANCE							\$0.00
347	547			MISCELLANEOUS							\$0.00
348	548			OUTSIDE OPERATED							\$0.00
349	548			BAND					\$350,000.00		\$350,000.00
350	550			BAND LOGISTICS					\$225,000.00		\$225,000.00
351	551			VACUUM TRUCK							\$0.00
352	552			WATER - BRINE							\$0.00
	560			FACILITY TRUCKING							\$0.00
	561			FACILITY VACUUM TRUCK							\$0.00
	562			FACILITY CONSULTING SER/SUPERVISION							\$0.00
	563			FACILITY CONTRACT LABOR / SER.							\$0.00
	564			FACILITY SURFACE RENTAL							\$0.00
				SIM-OPS							\$0.00
TOTAL WELL INTANGIBLE COSTS							\$1,883,100.00	\$2,970,000.00	\$0.00	\$4,853,100.00	
WELL TANGIBLE COSTS											
	401			CASING - CONDUCTOR				\$40,000.00			\$40,000.00
	402			CASING - SURFACE				\$78,900.00			\$78,900.00
	403			CASING - SALT STRING				\$0.00			\$0.00
	404	604		CASING - INTERMEDIATE				\$900,000.00			\$900,000.00
	405	605		CASING - PRODUCTION LINER				\$570,000.00			\$570,000.00
	406	606		SUBSURFACE EQUIPMENT							\$0.00
		607		PRODUCTION TUBING					\$250,000.00		\$250,000.00
		608		SUBSURFACE PUMPING EQUIPMENT							\$0.00
	409	609		WELLHEAD EQUIPMENT				\$40,000.00			\$40,000.00
		610		FLOWLINES						\$200,000.00	\$200,000.00
		611		SURFACE PUMPING EQUIPMENT							\$0.00
	412	612		LINER HANGER & ASSOC EQUIP							\$0.00
		613		VALVES & FITTINGS						\$500,000.00	\$500,000.00
		614		INSTURMENTATION & ELECTRICAL							\$0.00
		615		RODS							\$0.00
	417	617		TRUCKING							\$0.00
	420			RE-ENTRY EQUIPMENT							\$0.00
		634		PRODUCTION EQUIPMENT					\$500,000.00		\$500,000.00
	447	647		MISCELLANEOUS							\$0.00
	448	648		OUTSIDE OPERATED							\$0.00
		649		TANGIBLE EQUIP-ACQUISITIONS							\$0.00
TOTAL TANGIBLE COSTS							\$1,328,900.00	\$250,000.00	\$1,300,000.00	\$2,878,900.00	
TOTAL ESTIMATED WELL COST							DRILLING	COMPLETIONS	FACILITIES	TOTAL	
							\$3,212,000.00	\$3,220,000.00	\$1,300,000.00	\$7,732,000.00	

PREPARED BY: Alex Bourdanderson, Senior Operations Engineer DATE: 8/30/2022

OPERATOR APPROVAL:  COO DATE: 8/30/2022

OPERATOR APPROVAL:  CEO or CFO DATE: 9/30/22

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

**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. 22995

SELF-AFFIRMED DECLARATION OF EARL E. DEBRINE, JR.

Earl E. DeBrine Jr., attorney in fact and authorized representative of Novo Oil & Gas Northern Delaware, LLC, the Applicant herein, declares as follows:


1) The above-referenced Application was provided under a notice letter, dated August 9, 2022, and attached hereto, as Exhibit B.7.3.

2) Exhibit B.7.1 is the mailing list, which shows the notice letter was delivered to the USPS for mailing on August 9, 2022.

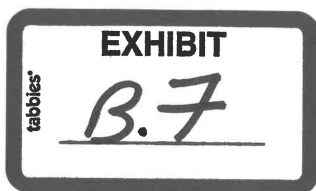
3) Exhibit B.7.2 is the certified mailing tracking information as of August 30, 2022, which is automatically compiled by CertifiedPro, the software Modrall Sperling uses to track the mailings. This spreadsheet shows the names and addresses of the parties to whom notice was sent and the status of the mailing.

4) I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: August 30, 2022



Earl E. DeBrine Jr.



Kathleen Allen
Modrall Sperling
500 Fourth St. NW, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
08/09/2022

Firm Mailing Book ID: 231721

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0098 1009 69	MRC Delaware Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.68	\$4.00	\$2.00	\$0.00	10309-0002
2	9314 8699 0430 0098 1009 76	Nadel and Gussman Capitan, LLC 15 East 5th Street, Suite 3300 Tulsa OK 74103	\$1.68	\$4.00	\$2.00	\$0.00	10309-0002
Totals:			\$3.36	\$8.00	\$4.00	\$0.00	
Grand Total:						\$15.36	

List Number of Pieces
Listed by Sender

2

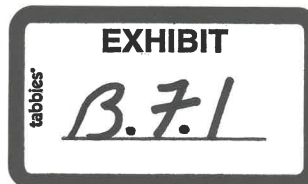
Total Number of Pieces
Received at Post Office

2

Postmaster:
Name of receiving employee

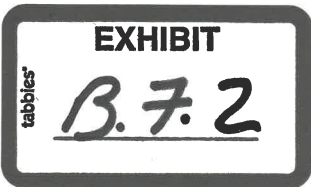


Dated:



Transaction Report Details - CertifiedPro.net
Firm Mail Book ID= 231721
Generated: 8/30/2022 8:09:21 AM

USPS Article Number	Date Created	Reference Number	Name 1	Address1	City	State	Zip	Postage	Fees	Firm MailBook ID	Mailing Status	Service Options	Batch ID	Mail Delivery Date
9314869904300098100976	2022-08-09 8:54 AM	10309-0002	Nadel and Gussman Capitan, LLC	15 East 5th Street, Suite 3300	Tulsa	OK	74103	1.68	6.00	231721	Delivered	Return Receipt - Electronic, Certified Mail	239370	2022-08-12 1:15 PM
9314869904300098100969	2022-08-09 8:54 AM	10309-0002	MRC Delaware Resources, LLC	5400 LBJ Freeway, Suite 1500	Dallas	TX	75240	1.68	6.00	231721	Delivered	Return Receipt - Electronic, Certified Mail	239370	2022-08-12 9:38 AM





MODRALL SPERLING

L A W Y E R S

August 9, 2022

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Earl E. DeBrine, Jr.
Tel: 505.848.1810
edebrine@modrall.com

TO: MRC Delaware Resources, LLC
5400 LBJ Freeway, Suite 1500
Dallas TX 75240

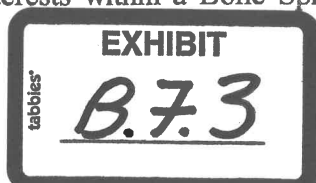
This letter is to advise you that Novo Oil & Gas Northern Delaware, LLC has filed the enclosed applications with the New Mexico Oil Conservation Division:

CASE NO. 22995: Application of Novo Oil & Gas Northern Delaware, LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/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 211H, Crocubot Fed 26 212H, Crocubot Fed 26 231H, and Crocubot Fed 26 232H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the **Crocubot Fed 26 211H** and the **Crocubot Fed 26 212H** wells will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. 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.

CASE NO. 22996: Application of Novo Oil & Gas Northern Delaware, LLC for compulsory pooling, Eddy County, New Mexico. Applicant 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.

CASE NO. 22997: 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

Modrall Sperling
Roehl Harris & Sisk P.A.
500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102
PO Box 2168
Albuquerque,
New Mexico 87103-2168
Tel: 505.848.1800
www.modrall.com



MRC Delaware Resources, LLC
Novo / Crocubot Fed 26
August 9, 2022
Page 2

underlying the E/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 215H** and **Crocubot Fed 26 132H** 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.

These applications have been set for hearing before a Division Examiner at **8:15 a.m. on September 1, 2022**. As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in this case at a later date. If you desire to appear in these cases and present evidence, then you are required to comply with the filing requirements set forth in the Prehearing Order for such cases, a copy of which is enclosed.

During the COVID-19 Public Health Emergency, the hearing will be conducted remotely. Instructions to appear can be found at <http://www.emnrd.state.nm.us/OCD/documents/10-08OCDHearing.pdf> or under "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>.

Sincerely,

/s/ Earl E. DeBrine, Jr.

Earl E. DeBrine, Jr.
Attorney for Applicant

EED/kta/W4474904.DOCX
Enclosures: as stated

**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. 22995

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 Wolfcamp formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/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/2 of Section 26, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico to form a 320-acre, more or less, Wolfcamp standard horizontal spacing unit.
3. Novo plans to drill the **Crocubot Fed 26 211H, Crocubot Fed 26 212H, Crocubot Fed 26 231H, and Crocubot Fed 26 232H** wells to a depth sufficient to test the Wolfcamp formation. These wells will be horizontally drilled and will be drilled at orthodox locations under the Division’s rules.
4. The completed interval for both the **Crocubot Fed 26 211H** and the **Crocubot Fed 26 212H** wells are expected to be less than 330 feet from the adjoining quarter-quarter section

tracts to allow for the inclusion of such offsetting proximity tracts within the proposed spacing unit for the wells under Division Rule 19.15.16.15(B)(1)(b) NMAC.

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

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

7. 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 320-acre, more or less, standard horizontal spacing unit in the Wolfcamp formation comprised of the W/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 Wolfcamp formation underlying a horizontal spacing unit within the W/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.

By: Earl E. DeBrine, Jr.

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Deana M. Bennett

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Attorneys for Novo Oil & Gas Northern Delaware, LLC

CASE NO. 22995 : 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 Wolfcamp horizontal spacing unit underlying the W/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 211H, Crocubot Fed 26 212H, Crocubot Fed 26 231H, and Crocubot Fed 26 232H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the **Crocubot Fed 26 211H** and the **Crocubot Fed 26 212H** wells will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. 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.

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Attorneys for Novo Oil & Gas Northern Delaware, LLC

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MODRALL SPERLING

L A W Y E R S

August 9, 2022

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Earl E. DeBrine, Jr.
Tel: 505.848.1810
edebrine@modrall.com

TO: Nadel and Gussman Capitan, LLC
15 East 5th Street, Suite 3300
Tulsa OK 74103

This letter is to advise you that Novo Oil & Gas Northern Delaware, LLC has filed the enclosed applications with the New Mexico Oil Conservation Division:

CASE NO. 22995: Application of Novo Oil & Gas Northern Delaware, LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/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 211H, Crocubot Fed 26 212H, Crocubot Fed 26 231H, and Crocubot Fed 26 232H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the **Crocubot Fed 26 211H** and the **Crocubot Fed 26 212H** wells will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. 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.

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CASE NO. 22997: 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

Modrall Spierling
Roehl Harris & Sisk P.A.
500 Fourth Street NW
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New Mexico 87102
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Nadel and Gussman Capitan, LLC
Novo / Crocubot Fed 26
August 9, 2022
Page 2

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2. Novo seeks to dedicate the E/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 215H** and **Crocubot Fed 26 132H** 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 E/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 E/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.

By: Earl E. DeBrine, Jr.

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dbennett@modrall.com

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Attorneys for Novo Oil & Gas Northern Delaware, LLC

CASE NO. 22997: 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 E/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 215H** and **Crocubot Fed 26 132H** 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.

Peter A. Schmidt, CPL

MOST RECENT EMPLOYMENT

Chesapeake Energy Corporation

Staff Landman – Brazos Valley Business Unit (Texas)

January 2019 – February 2021

- Coordinated the integration of Eagle Ford asset acquired by merger with WildHorse Resource Development Corp.
- Cleared title and formed units in preparation for development, directed field brokers
- Negotiated and closed lease agreements, lease purchases and divestitures
- Developed appraisal strategy with multi-disciplinary team

Staff Landman – Mid-Continent Business Unit (Oklahoma)

November 2015 – January 2019

- Coordinated the acquisition of over 20,000 leasehold acres by directing field broker efforts, collaborating with a multi-disciplinary team and management to develop strategy, and by negotiating and performing due diligence for acreage trades and lease acquisitions
- Negotiated lease purchase agreements, farmout agreements, data trades, and other contracts
- Managed a drilling program by clearing title, testifying before the Oklahoma Corporation Commission (OCC), preparing OCC applications and negotiating OCC-related letter agreements
- As an appointed liaison between Business Development and the Business Unit, supported corporate A&D efforts by promoting and evaluating acquisition and divestiture opportunities and assisting with seller due diligence and curative. Collaborated with Business Development to divest of over three hundred wells in Oklahoma

Landman II – Exploration (New Ventures)

July 2014 – November 2015

- Managed the acquisition of over 15,000 leasehold acres in a covert leasing play in East Texas via organic leasing and lease purchases
- Analyzed land availability and development opportunities in numerous prospects in multiple states
- Targeted divestiture opportunities, solicited bids, coordinated closings

BAR ADMISSIONS: 2017, Oklahoma

EDUCATION

Oklahoma City University School of Law

August 2013 – May 2017

Juris Doctor (Cum Laude)

- GPA: 3.61; Class Rank: 14/115
- Recipient of *Judge Alfred P. Murrah Sr. Award* presented to a student with outstanding academic performance in graduating class
- CALI Awards (Highest Grade in Class): Legal Research and Writing I and II, Sales and Leases, Family Law
- Faculty Honor Roll: 4 Semesters; Dean's List: 7 Semesters
- Attended night school part-time while working full-time at Chesapeake and Devon

University of Oklahoma

August 2007 – December 2011

Bachelor of Business Administration (With Distinction)

- Majors: Energy Management and Finance; GPA: 3.54

PREVIOUS OIL AND GAS EXPERIENCE

Devon Energy Corporation: Landman II – Permian Basin (Texas)

January 2012 - June 2014

- Negotiated and implemented various contracts and agreements, including oil and gas leases, farmout agreements, joint operating agreements, and confidentiality agreements
- Managed a drilling program by clearing title and ensuring regulatory compliance
- Supervised field broker assignments, including leasing projects and title research

Devon Energy Corporation: Land Intern

Summer 2011

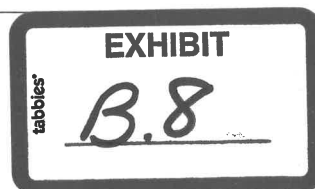
- Created an optimized rig schedule in the Delaware Basin based on prospect lease expirations, lease obligations, play prospectivity, and other factors
- Conducted title research for Midland, TX based broker T. Verne Dwyer Oil and Gas Investments

Land Services, Inc.: Title Landman

Summer 2010

- Researched public records in order to chain title and generate mineral ownership reports

MEMBERSHIPS AND CERTIFICATIONS: American Association of Professional Landmen (*Certified Professional Landman*), Oklahoma City Association of Professional Landmen, Mineral Lawyers Society of Oklahoma City, Permian Basin Landmen's Association



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. 22995

SELF AFFIRMED DECLARATION OF MICHAEL HALE

Michael Hale hereby states and declares as follows:

1. I am over the age of 18, I am a geologist for Novo Oil & Gas Northern Delaware, LLC (“Novo”), and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division (“Division”) and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.

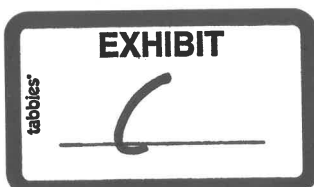
2. My area of responsibility at Novo includes the area of Eddy County in New Mexico.

3. I am familiar with the application filed by Novo in this case.

4. **Exhibit C.1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef. Novo’s Crocubot Fed Com 26 unit is located approximately 6 miles southeast of the closest point.

5. **Exhibit C.2** is a wellbore schematic showing the wells proposed in Case Numbers 22995–22996. The proposed spacing unit in this case is shown in a blue box.

6. **Exhibit C.3** shows Novo’s execution plan, which includes the wells proposed in Case Numbers 22995–22996, including this case. The Crocubot Fed 26 wells are the green dashed lines. Exhibit C.3 also shows producing wells in the surrounding area drilled in the same formations as those proposed in Case Numbers 22995–22996.



7. **Exhibit C.4** is structure map of the Wolfcamp B formation. The proposed spacing unit is identified by a blue box. The Crocubot Fed 26 231H and Crocubot Fed 26 232H wells are the green dashed lines. The contour interval used this exhibit is 40 feet. This exhibit shows that the structure dips gently to the east.

8. **Exhibit C.5** is structure map of the Wolfcamp XY formation. The proposed spacing unit is identified by a blue box. The Crocubot Fed 26 211H well is the green dashed line. The contour interval used this exhibit is 20 feet. This exhibit shows that the structure dips gently to the east.

9. **Exhibit C.6** is a stratigraphic cross section hung near the top of the Wolfcamp XY formation. The well logs on the cross-section give a representative sample of the Wolfcamp formation in the area. The target zones are identified by arrows and the label "target." I have also identified the approximate location of the proposed wells within the wells I used for the cross-section. **Exhibit C.6** also includes a cross section reference map that identifies three vertical reference wells in the vicinity of the proposed horizontal wells, shown by a line of cross-section running from A to A'.

10. The Wolfcamp interval thickness is very consistent across the proposed Crocubot Fed Com 26 unit.

11. I conclude from the maps that:
- a. The horizontal spacing unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter quarter section in the proposed unit will contribute more or less equally to production.

12. The preferred well orientation in this area is either north/south or east/west. This is because the S_{Hmax} is at approximately N45E in this area of Eddy County. As shown on Exhibit C.3, there is roughly an equal number of N-S and E-W wells in this area.

13. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

14. In my opinion, the granting of Novo's application is in the interests of conservation and the prevention of waste.

15. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

[Signature page follows]

I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: August 30 2022



Michael Hale



Crocubot Fed Com 26 Locator Map

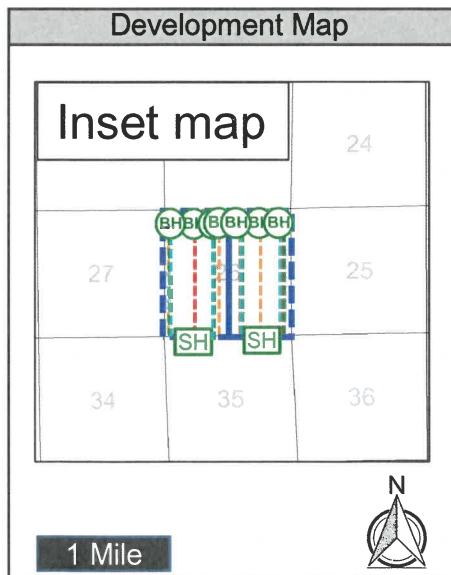
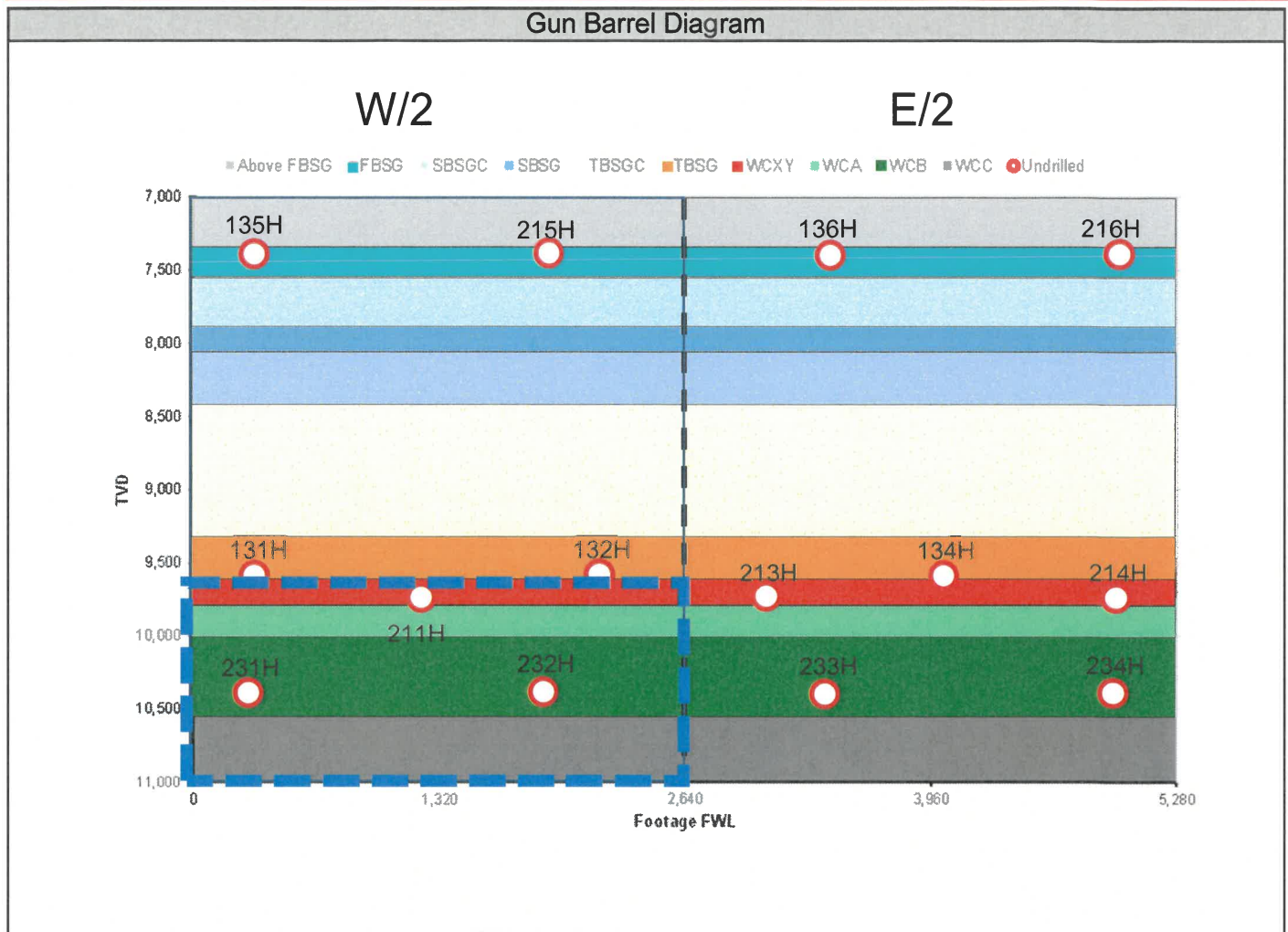


Novo's Crocubot Fed Com 26 pooling application does not lie within the Capitan Reef Outline. Closest approximate point is six miles southeast of outline.

Exhibit Created by: Michael E. Hale (NOVO VP- Exploration), August 29, 2022



Crocubot Fed Com 26 Gun Barrel Plot (Full development)



Gun Barrel Diagram Legend

- #H Proposed Wellbore Location and Name
- East/West dividing line

Hearing Details

Novo Oil & Gas Northern Delaware, LLC

Docket Number:

Case Number: 22995

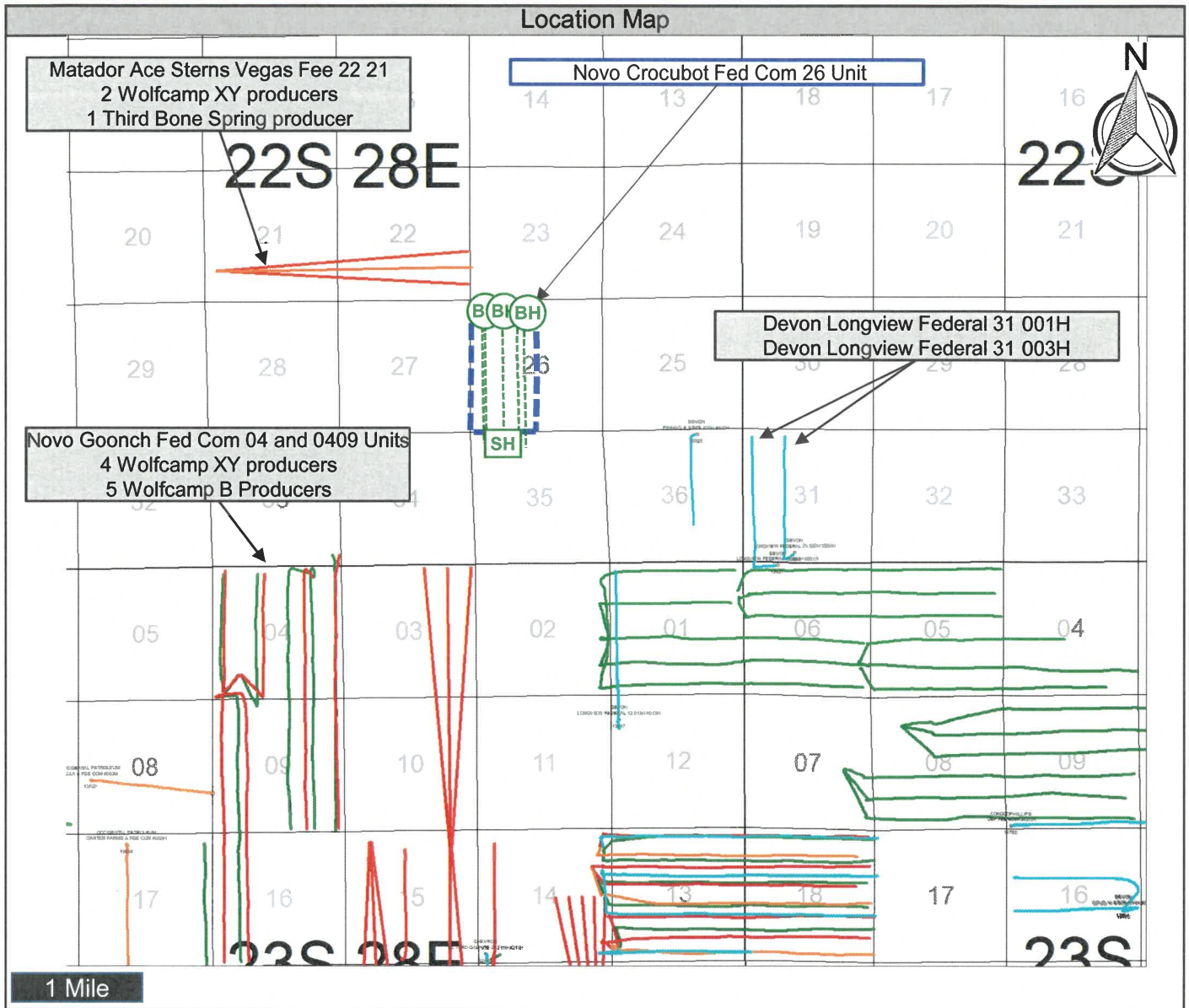
Date:

Exhibit Number:

EXHIBIT
C.2

Crocubot Fed Com 26 Execution Plan

Proposed Wolfcamp B, Wolfcamp XY, Third Bone Spring and First Bone Spring Locations, Section 26-22S-28E



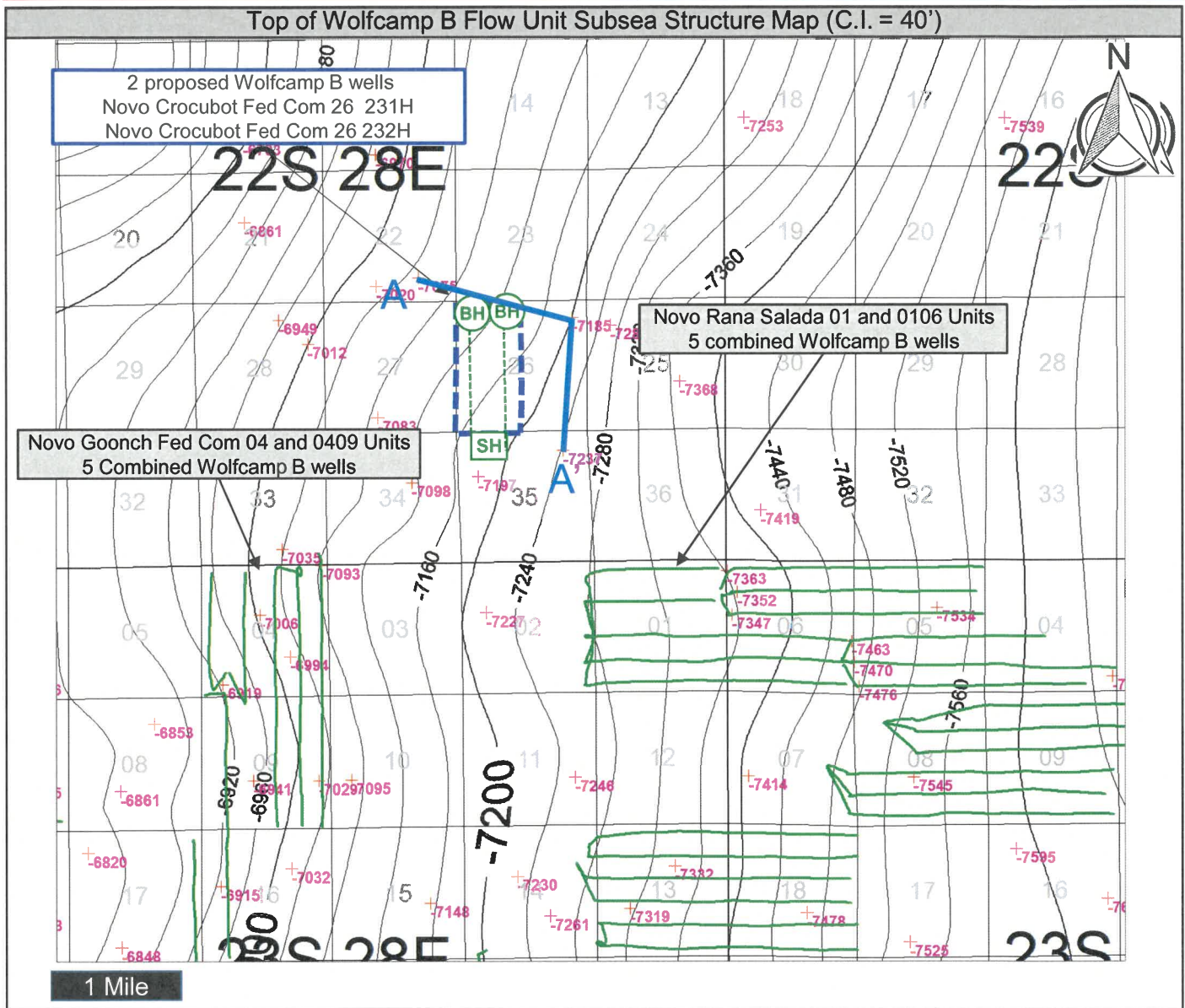
Map Legend	
	Spacing Unit (318.34 ac.)
	Wolfcamp B Producer
	Wolfcamp XY Producer
	Surface Hole Location
	Bottom Hole Location
	Third Bone Spring Producer
	First Bone Spring Producer
	Novo Proposed Horizontal Locations

Hearing Details
Novo Oil & Gas Northern Delaware, LLC
Docket Number:
Case Number:
Date:
Exhibit Number:

A. Exhibit Created by: Michael E. Hale (NOVO VP- Exploration), August 29, 2022

EXHIBIT
 C.3

Crocubot Fed Com 26 Top of Wolfcamp B Flow Unit Structure Map Wolfcamp B Locations, Sections 26-22S-28E



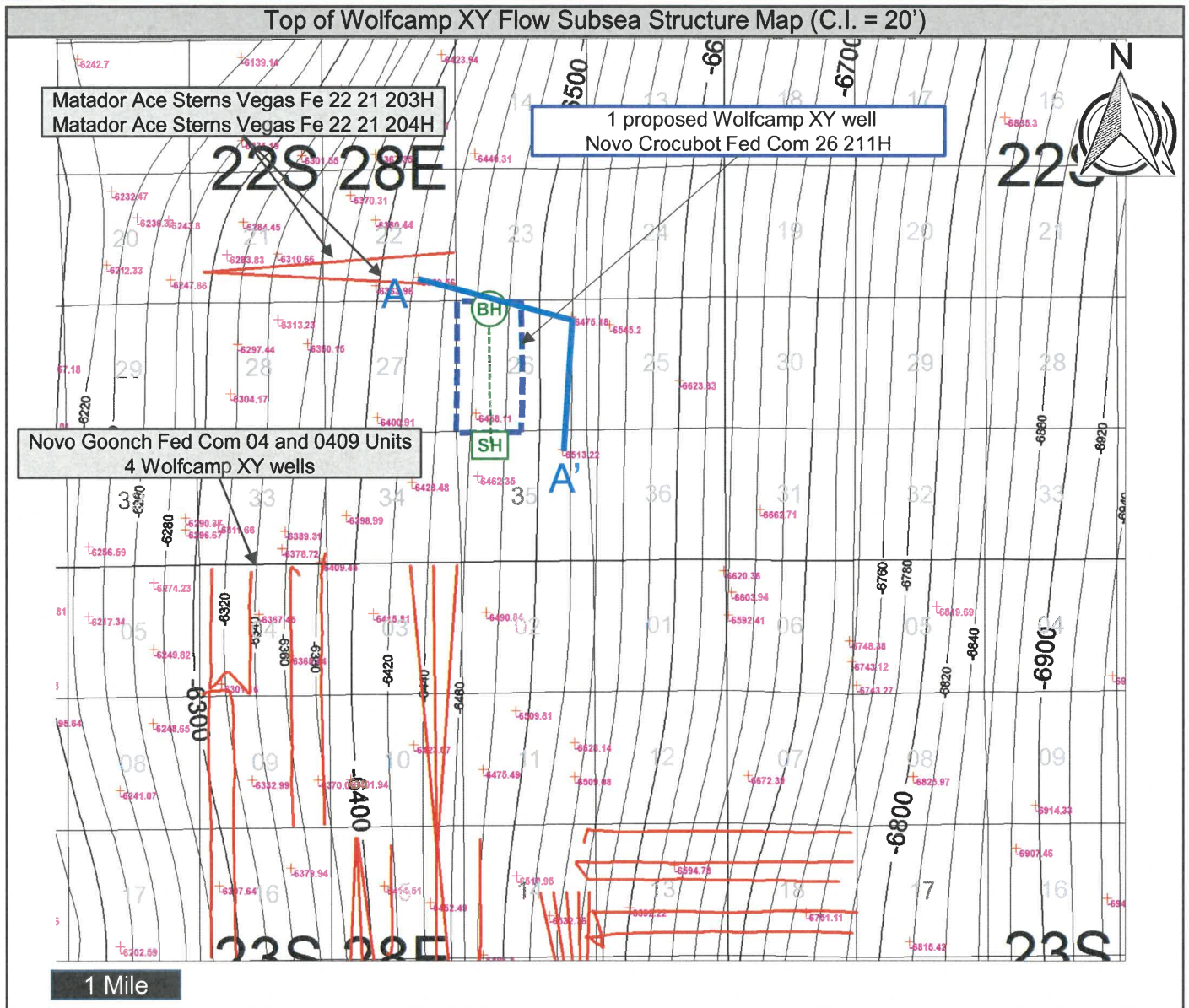
Map Legend	
	Spacing Unit (320 ac.)
	Wolfcamp B Producer
	Surface Hole Location
	Novo Horizontal Location
	Bottom Hole Location
	Datum value
	Top Wolfcamp B Flow Unit Subsea Structure Contour line – interval 40'

Hearing Details
Novo Oil & Gas Northern Delaware, LLC
Docket Number:
Case Number:
Date:
Exhibit Number:

A. Exhibit Created by: Michael E. Hale (NOVO VP- Exploration), August 29, 2022



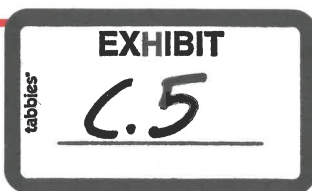
Crocubot Fed Com 26 Top of Wolfcamp XY Structure Map Wolfcamp XY Locations, Sections 26-22S-28E



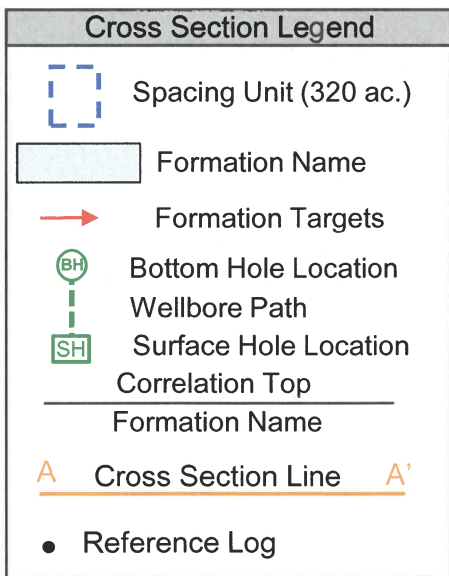
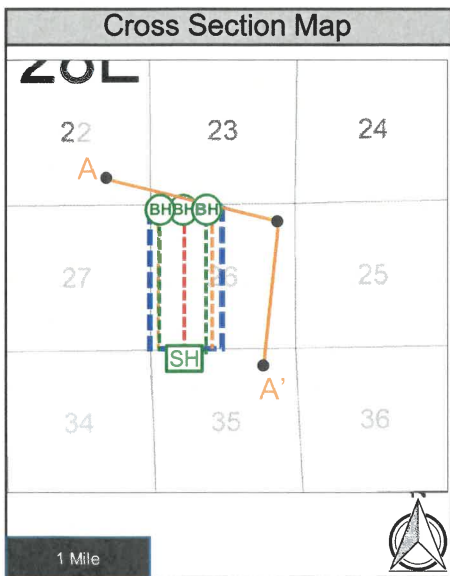
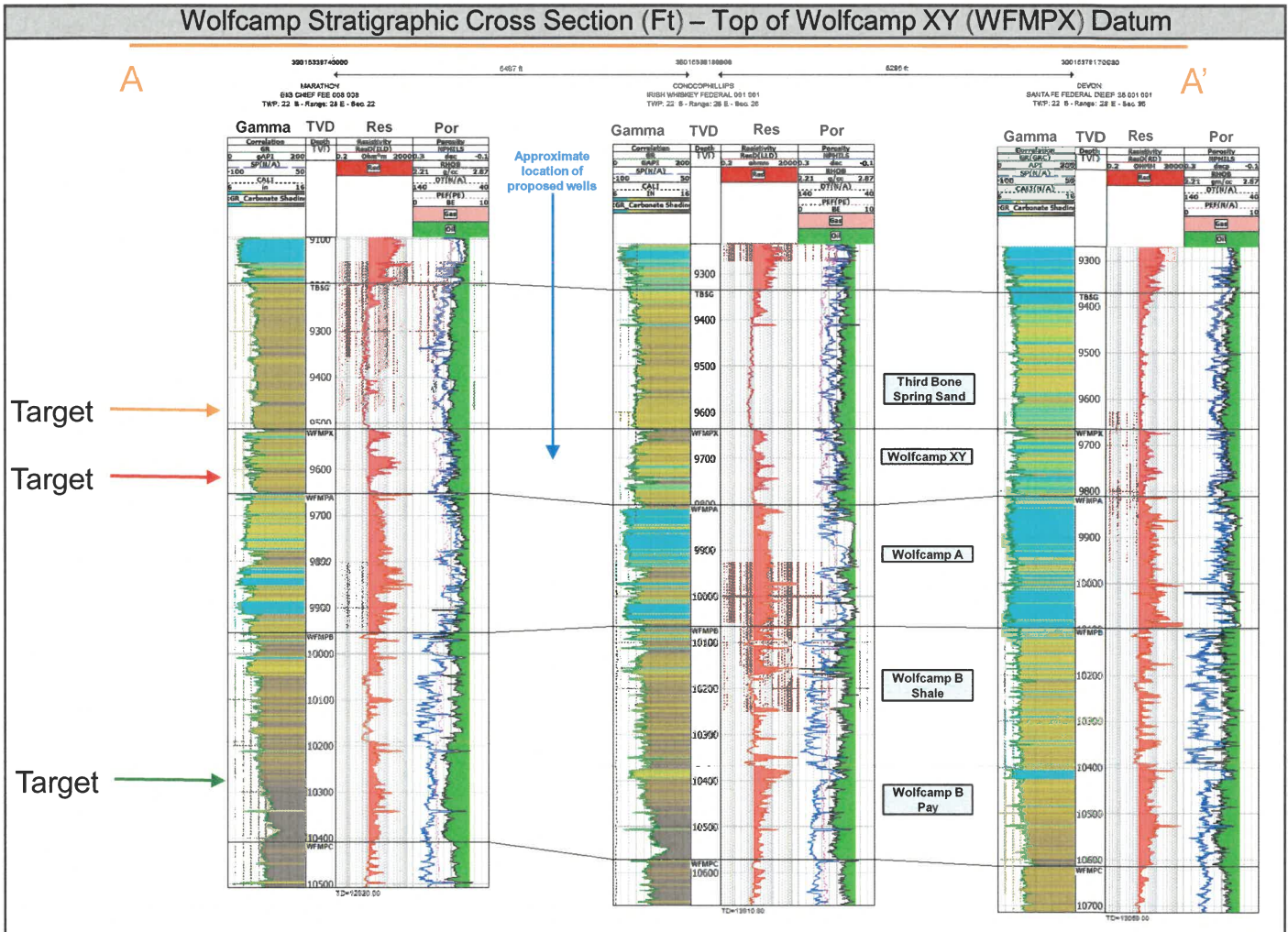
Map Legend	
	Spacing Unit (320 ac.)
	Surface Hole Location
	Novo Horizontal Location
	Bottom Hole Location
	Wolfcamp XY Producer
	Datum value
	Top Wolfcamp XY Subsea Structure Contour line – interval 20'

Hearing Details
Novo Oil & Gas Northern Delaware, LLC
Docket Number:
Case Number:
Date:
Exhibit Number:

A. Exhibit Created by: Michael E. Hale (NOVO VP- Exploration), August 29, 2022



Crocubot Fed Com 26 Wolfcamp Flow Unit Stratigraphic Cross Section Wolfcamp B, XY and Third Bone Spring Proposed Locations, Section 26-22S-28E



Novo Oil & Gas Northern Delaware, LLC

Docket Number:

Case Number:

Date:

Exhibit Number:

A. Exhibit Created by: Michael E. Hale (NOVO VP- Exploration), August 29, 2022

