

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

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

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

**APPLICATION**

Novo Oil & Gas Northern Delaware, LLC (“Novo” or “Applicant”), OGRID No. 372920, through its undersigned attorneys, hereby files an application to the Oil Conservation Division (the “Division”) pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a 720-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. In support of this application, Novo states as follows:

1. Novo has an interest in the subject lands and has a right to drill a well thereon.
2. Novo seeks to dedicate the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico to form a 720-acre, more or less, Bone Spring standard horizontal spacing unit located in the Designated Potash Area.
3. Novo plans to drill the **Tickety Boo Fed Com 2109 121H, Tickety Boo Fed Com 2109 122H, Tickety Boo Fed Com 2109 123H, Tickety Boo Fed Com 2109 131H, Tickety Boo Fed Com 2109 132H, and Tickety Boo Fed Com 2109 133H** wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox.

4. The completed interval for both the **Tickety Boo Fed Com 2109 122H** and the **Tickety Boo Fed Com 2109 132H** 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 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.

6. 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.

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

A. Creating an approximated 720-acre, more or less, standard horizontal spacing unit in the Bone Spring formation comprised of the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico;

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

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

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

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

Respectfully submitted,

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

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**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 interests within a Bone Spring horizontal spacing unit underlying the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The spacing unit will be dedicated to the **Tickety Boo Fed Com 2109 121H, Tickety Boo Fed Com 2109 122H, Tickety Boo Fed Com 2109 123H, Tickety Boo Fed Com 2109 131H, Tickety Boo Fed Com 2109 132H, and Tickety Boo Fed Com 2109 133H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the **Tickety Boo Fed Com 2109 122H** and the **Tickety Boo Fed Com 2109 132H** 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 22 miles northwest of Carlsbad, New Mexico.