

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

**APPLICATION OF NOVO OIL & GAS  
NORTHERN DELAWARE LLC  
TO AMEND ORDER R-21092-A TO EXCLUDE  
THE SECOND BONE SPRING INTERVAL  
EDDY COUNTY, NEW MEXICO**

**CASE NO. 22505  
ORDER NO. R-21092-C**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on February 17, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. On February 12, 2020, OCD issued Order R-21092 to Novo Oil & Gas Northern Delaware LLC (“Operator”) to pool the uncommitted oil and gas interests within the specified spacing unit.
2. On December 24, 2020, OCD issued Order R-21092-A to Operator to pool the uncommitted oil and gas interests within an expanded spacing unit (“Unit”). The Unit includes the Bone Spring formation.
3. On December 24, 2021, OCD issued Order R-21092-B to Operator to extend the drilling deadlines until December 24, 2022.
4. Subsequent to the above Orders, Operator discovered an existing horizontal well completed and producing in the Second Bone Spring interval of the Bone Spring formation within the proposed Unit, operated by Oxy USA Inc. (“Oxy”)
5. Operator now seeks to amend Order R-21092-A to exclude the Second Bone Spring interval, more specifically at a stratigraphic equivalent of 7,575 feet measured depth to 8,442 feet measured depth as defined on the neutron density log recorded in the HF 13 Com #001C Well (API 30-015-21138).
6. Operator provided evidence that it gave notice of the Application and the hearing to the previously pooled interest owners.
7. Operator provided evidence that it gave notice of the Application and the hearing to the Oxy.
8. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

## CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
10. Operator is the owner of an oil and gas working interest within the Unit.
11. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
12. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
13. Operator has the right to drill the Well to a common source of supply at the depth and location in the Unit described in Exhibit A.
14. This Order affords to each owner of an uncommitted interest the opportunity to produce its just and equitable share of the oil or gas in the pool.

## ORDER

15. The Second Bone Spring interval, more specifically at a stratigraphic equivalent of 7,575 feet measured depth to 8,442 feet measured depth as defined on the neutron density log recorded in the HF 13 Com #001C Well (API 30-015-21138) is hereby excluded from Order R-21092-A.
16. Order R-21092, as previously amended, shall remain in full force and effect.
17. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR

AES/jag

Date: 7/25/2022