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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY NOVO OIL & GAS NORTHERN DELAWARE, LLC

CASE NO. 22996 ORDER NO. R-22411-A

NUNC PRO TUNC ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having determined that an error occurred in Order R-22411 in this matter, which requires correction, issues the following *Nunc Pro Tunc* Order.

FINDINGS OF FACT

1. Order R-22411, dated December 5, 2022, ("Order") contains an incorrect Exhibit A.

ORDER

- 2. Exhibit A to the Order is replaced by the attached Exhibit A.
- 3. The corrections are effective *nunc pro tunc* as of the date of the Order.
- 4. All other provisions of the Order remain in full force and effect.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
ADRIENNE SANDOVAL
DIRECTOR

AES/jag

Date: 12/08/2022

Exhibit A

| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS | | |
|---|---|--|
| Case: 22996 | 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) Modrall, Sperling, Roehl, Harris & Sisk, P.A. (Earl E. DeBrine, Jr., Deana M. Bennett, and Bryce H. | |
| Applicant's Counsel: | Smith) Application of Novo Oil & Gas Northern | |
| Case Title: | 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) 988-6043 Facsimile mfeldewert@hollandhart.com agrankin@hollandhart.com jbroggi@hollandhart.com pmvance@hollandhart.com | |
| Well Family | Crocubot | |
| Formation/Pool | | |
| Formation Name(s) or Vertical Extent: | Bone Spring | |
| Primary Product (Oil or Gas): | Oil | |
| Pooling this vertical extent: | Bone Spring | |
| Pool Name and Pool Code: | CULEBRA BLUFF; BONE SPRING, SOUTH pool (Pool code 15011) | |
| Well Location Setback Rules: | Statewide rules | |
| Spacing Unit Size: | 160 acres | |
| Spacing Unit | | |
| Type (Horizontal/Vertical) | Horizontal | |
| Size (Acres) | 160 acres | |
| Building Blocks: Orientation: EXHIBIT | 40 acres | |
| Orientation: EXHIBIT | / North-South | |

| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | W/2W/2 of Section 26, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico |
|--|--|
| | |
| Depth Severance: Y/N. If yes, description | N |
| Proximity Tracts: If yes, description | N |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | Exhîbit 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 | Crocubot Fed 26 135H API: Not yet assigned SHL: 1,130 feet from the North line and 2,440 feet from the West line, Section 35, Township 22 South, Range 28 East, NMPM, Eddy County. BHL: 10 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: Bone Spring. Well Orientation: North/South. Completion location: Expected to be standard. See also Exhibit B.2 for C-102. |
| Well #2 | Crocubot Fed 26 131H API: Not yet assigned SHL: 175 feet from the North line and 1,012 feet from the West line, Section 35, Township 22 South, Range 28 East, NMPM, Eddy County. BHL: 10 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: Bone Spring. Well Orientation: North/South. Completion location: Expected to be standard. See also Exhibit B.2 for C-102. |
| Horizontal Well First and Last Take Points | Exhibit B.2 |

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| Repeliyed by OCD: 9/1/2022 2:08:45 PM | Crocubot Fed 26 135H FTP: 100 feet from the South line and 330 feet from the West Line, Section 26, Township 22 South, Range 28 East, NMPM, Eddy County. LTP: 100 feet from the North line and 330 feet from the West line of Section 26, Township 22 South, Range 28 East, NMPM, Eddy County. |
|---|--|
| Well #2 | Crocubot Fed 26 131H FTP: 100 feet from the South line and 330 feet from the West Line, Section 26, Township 22 South, Range 28 East, NMPM, Eddy County. LTP: 100 feet from the North line and 330 feet from the West line of Section 26, Township 22 South, Range 28 East, NMPM, Eddy County. |
| Completion Target (Formation, TVD and MD) | See Exhibit B.5. |
| Well #1 | Crocubot Fed 26 135H Formation: First Bone Spring TVD: Approximately 7,317' MD: Approximately 13,234' |
| Well #2 | Crocubot Fed 26 131H Formation: Third Bone Spring TVD: Approximately 9,512' MD: Approximately 15,093' |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$8,000 |
| Production Supervision/Month \$ | \$800 |
| Justification for Supervision Costs | See Exhibit B, Paragraph 23 |
| 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 & bel | o/N/A |

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|---|---|
| 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 23. |
| 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 p | rovided in this checklist is complete and accurate. |
| Printed Name (Attorney or Party Representative): | Bryce H. Smith |
| Signed Name (Attorney or Party Representative): | Thursday, September 1, 2022 |

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