

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Dylan M. Fuge
Deputy Secretary

Dylan M. Fuge, Division Director (Acting)
Oil Conservation Division



Ms. Jaclyn M. McLean
jmclean@hinklelawfirm.com

Administrative Order NSP - 2185

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Novo Oil & Gas Northern Delaware [OGRID 372920]

Rana Salada 0604 Federal Com Well No. 203H [API No. 30-015-54368]

Rana Salada 0604 Federal Com Well No. 223H [API No. 30-015-54402]

Located in Section 04, Section 05, Section 06, T23S, R29E, Eddy County, New Mexico

Reference is made to your application received on January 24th, 2024.

You have requested approval of a non-standard horizontal spacing unit as follows:

Proposed Decreased Horizontal Spacing Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 S/2 Section 06	396.67	Purple Sage; Wolfcamp	98220
N/2 S/2 Section 05			
N/2 SW/4 Section 04			

Area of Exclusion:

<u>Description</u>	<u>Acres</u>
S/2 S/2 Section 06	400
S/2 S/2 Section 05	
S/2 SW/4 Section 04	

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal gas spacing unit comprising 396.67 acres, consisting of the entire area described above as the decreased horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter section or equivalent in all sections, as required by Rule 19.15.16.15(B)(3) NMAC.

We understand that you are seeking this exception in order to allow you to create a non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above.

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The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units which are being excluded.

You have requested this non-standard horizontal spacing unit to maximize recovery, and to prevent waste within the Wolfcamp formation underlying the N/2 S/2 of Section 06, the N/2 S/2 of Section 05 and the N/2 SW/4 of Section 04 all while protecting the correlative rights within the referenced Horizontal Spacing Unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the above-described **non-standard horizontal spacing unit is hereby approved**. Further, the Applicant may add additional wells to the horizontal spacing unit. The additional well(s) shall be designated to the same horizontal spacing unit and pool/formation. Submit a Change of Plans to the OCD's permitting website. Once submitted, email the Action ID number to the following e-mail address: ocd.engineer@emnrd.nm.gov of notice for additional wells.

General Provisions

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



DYLAN M. FUGE
DIRECTOR (ACTING)
DMF/lrl

Date: 2/28/24

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 318754

CONDITIONS

Operator: NOVO OIL & GAS NORTHERN DELAWARE, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372920
	Action Number: 318754
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	2/28/2024