

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

**APPLICATION OF NOVO OIL & GAS
NORTHERN DELAWARE, LLC TO
AMEND ORDER NOS. R-21210 & 21210-A,
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 this application with the Oil Conservation Division to amend Order Nos. R-21210 and R-21210-A (“Orders”) to approve a standard 240-acre, more or less, horizontal spacing unit comprised of the E/2 SW/4 of Section 10, and the E/2 W/2 of Section 15, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and pooling all interests under the terms of the Orders. In support of its application, Novo states:

1. Division Order No. R-21210, entered on April 9, 2020, in Case No. 21039, created a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Sections 10 and 15, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico (the “Unit”), and designated Novo as operator of the Unit.

2. Order No. R-21210 further pooled the uncommitted interests in the Bone Spring formation, only from a depth of 7,839 feet to the base of the Bone Spring formation, in the Laguna Salado; Bone Spring pool [96721], in the Unit and dedicated the Unit to the following proposed initial wells: (1) the **Saturninus Fed Com 1510 #122H well** (API No. 30-015-pending), and (2) the **Saturninus Fed Com 1510 #132H well** (API No. 30-015-pending).

3. Order No. R-21210-A entered on April 13, 2021 extended the drilling deadline under the Orders to April 9, 2022.

4. Applicant requests that the Orders be re-opened and the approved spacing unit under the order be amended.

5. Since the entry of Orders, Applicant has determined it is prudent to drill mile and a half wells in this spacing unit, rather than the two-mile wells initially proposed.

6. For that reason, Applicant now seeks to dedicate the standard horizontal spacing unit underlying the E/2 SW/4 of Section 10, and the E/2 W/2 of Section 15 to the proposed initial wells.

7. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.

8. Approval of this application is in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

9. In order to protect correlative rights and to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this standard spacing unit should be pooled, and Applicant should be designated the operator of the initial horizontal well and standard spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 1, 2021, and, after notice and hearing as required by law, the Division enter an order approving the amended spacing unit.

Respectfully submitted,

HOLLAND & HART LLP



By: _____

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

agrarkin@hollandhart.com

jbroggi@hollandhart.com

kaluck@hollandhart.com

**ATTORNEYS FOR NOVO OIL & GAS NORTHERN
DELAWARE, LLC**