

**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-21092 & R-21092-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-21092 and R-21092-A (the “Orders”) to allow for a one year extension for drilling the proposed initial well under the Orders. In support of its application, Novo states:

1. Order No. R-21092, entered on February 12, 2020, in Case No. 20886, created a 320-acre, more or less, horizontal well spacing unit consisting of the N/2 of Section 13, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico (the “Unit”), designated Applicant as the operator of the Unit, pooled the uncommitted interests in the Bone Spring formation [Culebra Bluff; Bone Spring Pool (15011)] in the Unit, and dedicated the Unit to the proposed initial wells.

2. Following the entry of Order No. R-21092, Applicant determined that it was prudent to include the N/2 equivalent of irregular Section 18 into this standard horizontal spacing unit to allow for the drilling of 2-mile wells. As applied for in Case No. 21549, Order No. R-21092-A granted Novo’s request for a standard 635.4-acre, more or less, horizontal spacing unit comprised of the N/2 of Section 13, Township 23 South, Range 28 East, and Lots 1-2, E/2 NW/4 and the NE/4 (N/2 equivalent) of irregular Section 18, all in Township 23 South, Range 29 East, Eddy County/

3. As provided in the Orders, Applicant dedicated the above-referenced horizontal spacing unit to these proposed initial wells:

- The **Ovation Fed Com 1318 #131H Well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, T23S, R28E, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 18;
- The **Ovation Fed Com 1318 #132H Well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, T23S, R28E, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 18; and
- The **Ovation Fed Com 1318 #135H Well** to be horizontally drilled from a surface location in the E/2 NE/4 of Section 14, T23S, R28E, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 18.

4. Order No. R-21092-A required the drilling of the initial well by December 24, 2021.

5. There is good cause for Novo's request that the Orders be re-opened and amended to allow Novo additional time to commence drilling the well under the Orders.

6. The decline in commodity prices in 2020 caused by the global COVID pandemic and other economic factors led Novo to reduce its rig count, thereby causing Novo to delay its intended plans to develop the acreage subject to the Orders. Novo anticipates being able to drill the initial well required by the Orders within the next year.

7. Due to COVID, Novo requests a one-year extension of time to drill the initial well under the Order, until December 24, 2022.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 2, 2021, and, after notice and hearing as required by law, the Division enter an order granting this application.

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**