

**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF NOVO OIL & GAS NORTHERN DELAWARE, LLC
FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Novo Oil & Gas Northern Delaware, LLC (“Applicant”) (OGRID No. 372920), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interest in the Wolfcamp formation [Purple Sage; Wolfcamp (Gas) (98220)] underlying a standard 316.80-acre, more or less, horizontal well spacing unit comprised of the W/2 of Section 7, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of its application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. Applicant proposes to initially dedicate the above reference spacing unit to the following proposed wells, all of which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of adjacent Section 18:

- **Otis Fee 07 211H** well to be horizontally drilled to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 7;
- **Otis Fee 07 231H** well to be horizontally drilled to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 7;
- **Otis Fee 07 221H** well to be horizontally drilled to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 7;
- **Otis Fee 07 232H** well to be horizontally drilled to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 7; and

- **Otis Fee 07 212H** well to be horizontally drilled to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 7.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject spacing unit.
 4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.
 5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the horizontal spacing unit should be pooled and Applicant should be designated the operator of this proposed horizontal well spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 7, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;
- B. Designating Applicant operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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