

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JANUARY 19, 2023**

CASE NO. 23210

*Tickety Boo Fed Com 2109 121H, 122H, 123H,
131H, 132H, and 133H Wells*

EDDY COUNTY, NEW MEXICO



**STATE OF NEW MEXICO
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. 23210

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23210

APPLICANT'S RESPONSE

Date: January 19, 2023

Applicant

Novo Oil & Gas Northern Delaware, LLC

Designated Operator & OGRID (affiliation if applicable)

Novo Oil & Gas Northern Delaware, LLC (372920)

Applicant's Counsel:

Modrall, Sperling, Roehl, Harris & Sisk, P.A. (Earl E. DeBrine, Jr. and Deana M. Bennett)

Case Title:

Application of Novo Oil & Gas Northern Delaware, LLC for Compulsory Pooling, Eddy County, New Mexico

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Well Family

Tickety Boo Fed Com 2109

Formation/Pool

OCD Examiner Hearing 1-19-23

Case No. 23210

Released to Imaging: 1/18/2023 8:22:53 AM




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:	HACKBERRY, BONE SPRING (Pool Code 29345)
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	720 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes, see Exhibit B, para. 11
Proximity Defining Well: if yes, description	Tickety Boo Fed Com 2109 122H and Tickety Boo Fed Com 2109 132H wells
Applicant's Ownership in Each Tract	Exhibit B.3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Tickety Boo Fed Com 2109 121H API: Not yet assigned SHL: 1561 feet from the North line and 1864 feet from the West line, Section 21, Township 19 South, Range 30 East, NMPM, Eddy County. BHL: 10 feet from the North line and 330 feet from the West line, Section 9, Township 19 South, Range 30 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	<p>Tickety Boo Fed Com 2109 122H</p> <p>API: Not yet assigned</p> <p>SHL: 1576 feet from the North line and 1878 feet from the West line, Section 21, Township 19 South, Range 30 East, NMPM, Eddy County.</p> <p>BHL: 10 feet from the North line and 1320 feet from the West line, Section 9, Township 19 South, Range 30 East, NMPM, Eddy County.</p> <p>Completion Target: Bone Spring.</p> <p>Well Orientation: North/South</p> <p>Completion location: Expected to be standard.</p> <p>See also Exhibit B.2 for C-102.</p>
Well #3	<p>Tickety Boo Fed Com 2109 123H</p> <p>API: Not yet assigned</p> <p>SHL: 1590 feet from the North line and 1,892 feet from the West line, Section 21, Township 19 South, Range 30 East, NMPM, Eddy County.</p> <p>BHL: 10 feet from the North line and 2310 feet from the West line, Section 9, Township 19 South, Range 30 East, NMPM, Eddy County.</p> <p>Completion Target: Bone Spring.</p> <p>Well Orientation: North/South</p> <p>Completion location: Expected to be standard.</p> <p>See also Exhibit B.2 for C-102.</p>
Well #4	<p>Tickety Boo Fed Com 2109 131H</p> <p>API: Not yet assigned</p> <p>SHL: 1649 feet from the North line and 1705 feet from the West line, Section 21, Township 19 South, Range 30 East, NMPM, Eddy County.</p> <p>BHL: 10 feet from the North line and 330 feet from the West line, Section 9, Township 19 South, Range 30 East, NMPM, Eddy County.</p> <p>Completion Target: Bone Spring.</p> <p>Well Orientation: North/South</p> <p>Completion location: Expected to be standard.</p> <p>See also Exhibit B.2 for C-102.</p>
Well #5	<p>Tickety Boo Fed Com 2109 132H</p> <p>API: Not yet assigned</p> <p>SHL: 1677 feet from the North line and 1733 feet from the West line, Section 21, Township 19 South, Range 30 East, NMPM, Eddy County.</p> <p>BHL: 10 feet from the North line and 1320 feet from the West line, Section 9, Township 19 South, Range 30 East, NMPM, Eddy County.</p> <p>Completion Target: Bone Spring.</p> <p>Well Orientation: North/South</p> <p>Completion location: Expected to be standard.</p> <p>See also Exhibit B.2 for C-102.</p>

Well #6	Tickety Boo Fed Com 2109 133H API: Not yet assigned SHL: 1706 feet from the North line and 1760 feet from the West line, Section 21, Township 19 South, Range 30 East, NMPM, Eddy County. BHL: 10 feet from the North line and 2310 feet from the West line, Section 9, Township 19 South, Range 30 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	
Well #1	Tickety Boo Fed Com 2109 121H FTP: 1220 feet from the North line and 330 feet from the West Line, Section 21, Township 19 South, Range 30 East, NMPM, Eddy County. LTP: 100 feet from the North line and 330 feet from the West line of Section 9, Township 19 South, Range 30 East, NMPM, Eddy County.
Well #2	Tickety Boo Fed Com 2109 122H FTP: 1220 feet from the North line and 1320 feet from the West Line, Section 21, Township 19 South, Range 30 East, NMPM, Eddy County. LTP: 100 feet from the North line and 1320 feet from the West line of Section 9, Township 19 South, Range 30 East, NMPM, Eddy County.
Well #3	Tickety Boo Fed Com 2109 123H FTP: 1220 feet from the North line and 2310 feet from the West Line, Section 21, Township 19 South, Range 30 East, NMPM, Eddy County. LTP: 100 feet from the North line and 2310 feet from the West line of Section 9, Township 19 South, Range 30 East, NMPM, Eddy County.
Well #4	Tickety Boo Fed Com 2109 131H FTP: 1220 feet from the North line and 330 feet from the West Line, Section 21, Township 19 South, Range 30 East, NMPM, Eddy County. LTP: 100 feet from the North line and 330 feet from the West line of Section 9, Township 19 South, Range 30 East, NMPM, Eddy County.
Well #5	Tickety Boo Fed Com 2109 132H FTP: 1220 feet from the North line and 1320 feet from the West Line, Section 21, Township 19 South, Range 30 East, NMPM, Eddy County. LTP: 100 feet from the North line and 1320 feet from the West line of Section 9, Township 19 South, Range 30 East, NMPM, Eddy County.

Well #6	Tickety Boo Fed Com 2109 133H FTP: 1220 feet from the North line and 2310 feet from the West Line, Section 21, Township 19 South, Range 30 East, NMPM, Eddy County. LTP: 100 feet from the North line and 2310 feet from the West line of Section 9, Township 19 South, Range 30 East, NMPM, Eddy County.
Completion Target (Formation, TVD and MD)	
Well #1	Tickety Boo Fed Com 2109 121H Formation: Second Bone Spring TVD: Approximately 8,325' MD: Approximately 20,325'
Well #2	Tickety Boo Fed Com 2109 122H Formation: Second Bone Spring TVD: Approximately 8,350' MD: Approximately 20,350'
Well #3	Tickety Boo Fed Com 2109 123H Formation: Second Bone Spring TVD: Approximately 8,370' MD: Approximately 20,370'
Well #4	Tickety Boo Fed Com 2109 131H Formation: Third Bone Spring TVD: Approximately 9,485' MD: Approximately 21,485'
Well #5	Tickety Boo Fed Com 2109 132H Formation: Third Bone Spring TVD: Approximately 9,510' MD: Approximately 21,510'
Well #6	Tickety Boo Fed Com 2109 133H Formation: Third Bone Spring TVD: Approximately 9,530' MD: Approximately 21,530'
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit B, para. 24
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)	Exhibit B.7
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B.3
Tract List (including lease numbers and owners)	Exhibit B.3

If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B.3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
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	Exhibit B.5
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, para 12; Exhibit C.3
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	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Earl E. DeBrine, Jr.
Signed Name (Attorney or Party Representative):	
Date:	Tuesday, January 17, 2023

STATE OF NEW MEXICO
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. 23210

SELF AFFIRMED DECLARATION OF PETER SCHMIDT

Peter Schmidt hereby states and declares as follows:

1. I am over the age of 18, I am a landman for Novo Oil & Gas Northern Delaware, LLC ("Novo"), and I have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division (the "Division") and my credentials as an expert petroleum landman were accepted by the Division as a matter of record.
2. My area of responsibility at Novo includes the area of Eddy County in New Mexico.
3. I am familiar with the application filed by Novo in this case, which is attached as **Exhibit B.1.**
4. I am familiar with the status of the lands that are subject to the application.
5. I submit the following information pursuant to Rule 19.15.4.12(A)(1) NMAC in support of the above-referenced compulsory pooling application.
6. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the wells to be drilled in the unit.
7. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the well.



8. In this case, Novo seeks an order from the Division pooling all uncommitted mineral interests within a 720-acre, more or less, Bone Spring horizontal spacing unit underlying the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

9. The proposed spacing unit includes the N/2 NW/4 of Section 21 because the proposed unit is in the potash area and the only available drill island in this area is in this acreage. Accordingly, in order to maximize completed lateral footage and EUR, Novo proposed to develop this acreage since it would be drilling though it regardless due to the location of the drill island. Further, Novo's development area has already been approved by the BLM.

10. This spacing unit will be dedicated to the **Tickety Boo Fed Com 2109 121H, Tickety Boo Fed Com 2109 122H, Tickety Boo Fed Com 2109 123H, Tickety Boo Fed Com 2109 131H, Tickety Boo Fed Com 2109 132H, and Tickety Boo Fed Com 2109 133H** wells to be horizontally drilled.

11. The completed interval for both the **Tickety Boo Fed Com 2109 122H** and the **Tickety Boo Fed Com 2109 132H** wells are expected to be less than 330 feet from the adjoining quarter-quarter section tracts to allow for the inclusion of such offsetting proximity tracts within the proposed spacing unit for the wells under Division Rule 19.15.16.15(B)(1)(b) NMAC.

12. Attached as **Exhibit B.2** are the C-102s for the proposed wells.

13. The C-102s identify the proposed surface hole location, first take point, and bottom hole location of each well. The C-102s also identify the pool and pool code.

14. The wells will develop the HACKBERRY, BONE SPRING pool (Pool code 29345).

15. This pool is an oil pool with 40-acre building blocks.

16. This pool is governed by the state-wide horizontal well rules. The producing interval for the wells will be orthodox and will comply with the Division's set back requirements.

17. There are no depth severances within the proposed spacing unit.

18. **Exhibit B.3** includes a lease tract map outlining the unit being pooled. Exhibit B.3 also includes the parties being pooled, the nature, and the percent of their interests.

19. I have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners well proposals, including an Authorization for Expenditure.

20. In my opinion, Novo has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

21. **Exhibit B.4** is a summary of my contacts with the interest owners in Novo's proposed unit.

22. **Exhibit B.5** is a sample of a well proposal letter that was sent to all working interest owners. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the wells.

23. **Exhibit B.6** contains the Authorization for Expenditure for the proposed wells. The estimated cost of the wells set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

24. Novo requests overhead and administrative rates of \$8000.00/month for drilling a well and \$800.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Novo requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

25. Novo requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

26. Novo requests that it be designated operator of the well.

27. The parties Novo is seeking to pool were notified of this hearing.

28. Novo seeks to pool overriding royalty interest owners, and they were also provided notice of this hearing.

29. **Exhibit B.7** is an affidavit of notice prepared by counsel for Novo that shows the parties who were notified of this hearing, the status of whether they received notice, and an affidavit of publication from the Carlsbad Current Argus newspaper, showing that notice of this hearing was published on November 8, 2022.

30. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

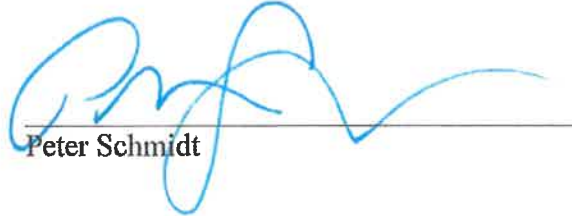
31. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

32. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

[Signature page follows]

I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: January 16, 2023.


Peter Schmidt

**STATE OF NEW MEXICO
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. 23210

APPLICATION

Novo Oil & Gas Northern Delaware, LLC ("Novo" or "Applicant"), OGRID No. 372920, through its undersigned attorneys, hereby files an application to the Oil Conservation Division (the "Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a 720-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. In support of this application, Novo states as follows:

1. Novo has an interest in the subject lands and has a right to drill a well thereon.
2. Novo seeks to dedicate the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico to form a 720-acre, more or less, Bone Spring standard horizontal spacing unit located in the Designated Potash Area.
3. Novo plans to drill the **Tickety Boo Fed Com 2109 121H, Tickety Boo Fed Com 2109 122H, Tickety Boo Fed Com 2109 123H, Tickety Boo Fed Com 2109 131H, Tickety Boo Fed Com 2109 132H, and Tickety Boo Fed Com 2109 133H** wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox.



4. The completed interval for both the **Tickety Boo Fed Com 2109 122H** and the **Tickety Boo Fed Com 2109 132H** wells are expected to be less than 330 feet from the adjoining quarter-quarter section tracts to allow for the inclusion of such offsetting proximity tracts within the proposed spacing unit for the wells under Division Rule 19.15.16.15(B)(1)(b) NMAC.

5. Novo sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

6. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Novo requests this application be set for hearing before an Examiner of the Oil Conservation Division on December 1, 2022, and after notice and hearing as required by law, the Division enter its order as expeditiously as possible:

A. Creating an approximated 720-acre, more or less, standard horizontal spacing unit in the Bone Spring formation comprised of the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico;

C. Designating Novo as operator of the horizontal spacing unit and the wells to be drilled thereon;

D. Authorizing Novo to recover its costs of drilling, equipping and completing the wells;

E. 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

F. Imposing a 200% charge for the risk assumed by Novo in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: /s/ Earl E. DeBrine, Jr.

Earl E. DeBrine, Jr.

Deana M. Bennett

Bryce H. Smith

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Attorneys for Novo Oil & Gas Northern Delaware, LLC

CASE NO. 23210: Application of Novo Oil & Gas Northern Delaware, LLC for compulsory pooling, Eddy County, New Mexico. Novo Oil & Gas Northern Delaware, LLC seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The spacing unit will be dedicated to the **Tickety Boo Fed Com 2109 121H, Tickety Boo Fed Com 2109 122H, Tickety Boo Fed Com 2109 123H, Tickety Boo Fed Com 2109 131H, Tickety Boo Fed Com 2109 132H, and Tickety Boo Fed Com 2109 133H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the **Tickety Boo Fed Com 2109 122H** and the **Tickety Boo Fed Com 2109 132H** wells will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Novo as operator of the wells, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northwest of Carlsbad, New Mexico.

District I

1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III

1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 29345	³ Pool Name HACKBERRY, BONE SPRING
⁴ Property Code	⁵ Property Name TICKETY BOO FED COM 2109	⁶ Well Number 121H
⁷ OGRID No. 372920	⁸ Operator Name NOVO OIL & GAS NORTHERN DELAWARE, LLC	⁹ Elevation 3313.9

¹⁰ Surface Location

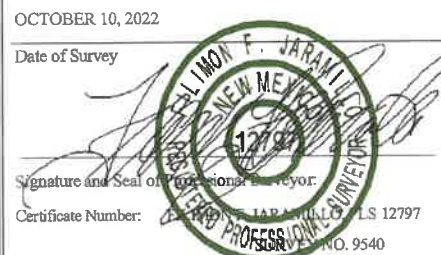
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	21	19 S	30 E		1561	NORTH	1864	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	9	19 S	30 E		10	NORTH	330	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>OCTOBER 10, 2022</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number: 12797</p>	

EXHIBIT

B.2

OCD Examiner Hearing 1-19-23

Case No. 23210

16

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 29345	³ Pool Name HACKBERRY, BONE SPRING
⁴ Property Code	⁵ Property Name TICKETY BOO FED COM 2109	⁶ Well Number 122H
⁷ OGRID No. 372920	⁸ Operator Name NOVO OIL & GAS NORTHERN DELAWARE, LLC	⁹ Elevation 3314.1

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	21	19 S	30 E		1576	NORTH	1878	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	9	19 S	30 E		10	NORTH	1320	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

		<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>OCTOBER 10, 2022</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number: 12797</p>
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District I

1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (505) 748-9720

District III

1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 29345	³ Pool Name HACKBERRY, BONE SPRING
⁴ Property Code	⁵ Property Name TICKETY BOO FED COM 2109	⁶ Well Number 123H
⁷ OGRID No. 372920	⁸ Operator Name NOVO OIL & GAS NORTHERN DELAWARE, LLC	⁹ Elevation 3314.7


¹⁰ Surface Location

UL or lot no. F	Section 21	Township 19 S	Range 30 E	Lot Idn	Feet from the 1590	North/South line NORTH	Feet from the 1892	East/West line WEST	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. C	Section 9	Township 19 S	Range 30 E	Lot Idn	Feet from the 10	North/South line NORTH	Feet from the 2310	East/West line WEST	County EDDY
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 29345	³ Pool Name HACKBERRY, BONE SPRING
⁴ Property Code	⁵ Property Name TICKETY BOO FED COM 2109	⁶ Well Number 131H
⁷ OGRID No. 372920	⁸ Operator Name NOVO OIL & GAS NORTHERN DELAWARE, LLC	⁹ Elevation 3310.4

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	21	19 S	30 E		1649	NORTH	1705	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	9	19 S	30 E		10	NORTH	330	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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⁷ OGRID No. 372920	⁸ Operator Name NOVO OIL & GAS NORTHERN DELAWARE, LLC	⁹ Elevation 3310.2

¹⁰ Surface Location

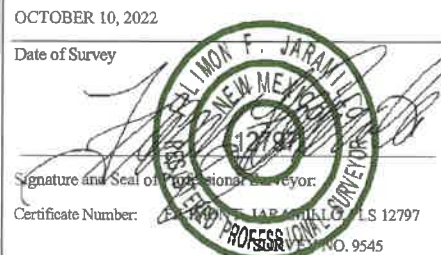
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	21	19 S	30 E		1677	NORTH	1733	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	9	19 S	30 E		10	NORTH	1320	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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¹⁰ Surface Location


UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	21	19 S	30 E		1706	NORTH	1760	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	9	19 S	30 E		10	NORTH	2310	WEST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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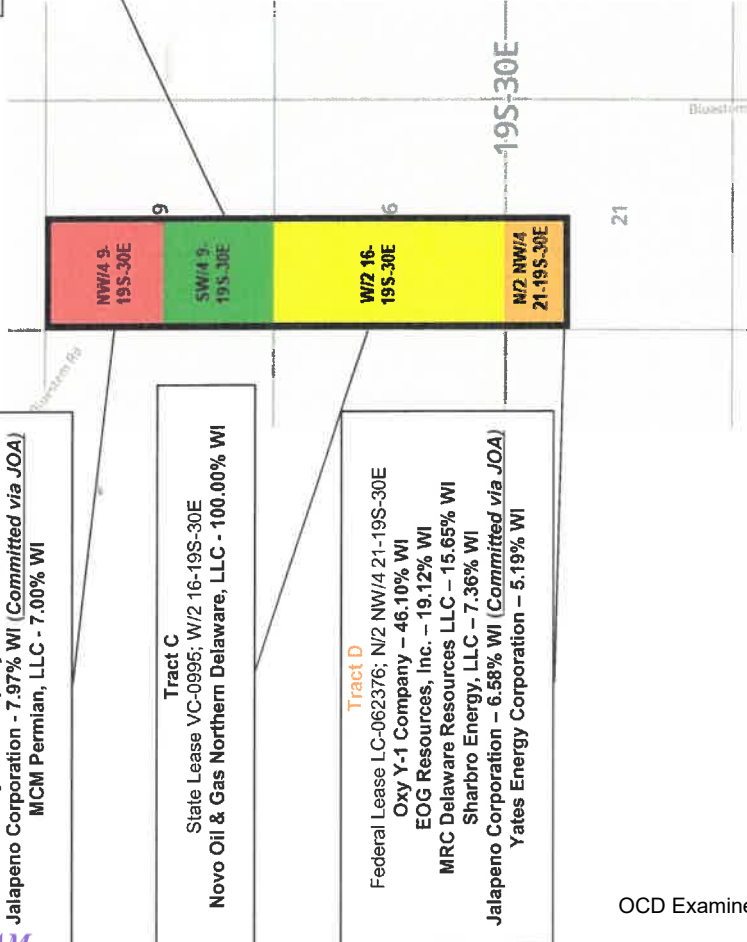
Ownership of Pooled Unit – Tickety Boo Fed Com 2109

Tract A

Federal Lease NM-02337; NW/4 9-19S-30E
MRC Delaware Resources LLC - 51.69% WI
EOG Resources, Inc. - 16.67% WI
Oxy Y-1 Company - 16.67% WI
Jalapeno Corporation - 7.97% WI (Committed via JOA)
MCM Permian, LLC - 7.00% WI

Tract B

Federal Lease LC-0556292; SW/4 9-19S-30E
COG Operating, LLC - 100.00% WI (Committed via JOA)



Tract C

State Lease VC-0995; W/2 16-19S-30E
Novo Oil & Gas Northern Delaware, LLC - 100.00% WI

Tract D

Federal Lease LC-062376; N/2 NW/4 21-19S-30E
Oxy Y-1 Company - 46.10% WI
EOG Resources, Inc. - 19.12% WI
MRC Delaware Resources LLC - 15.65% WI
Sharbro Energy, LLC - 7.36% WI
Jalapeno Corporation - 6.58% WI (Committed via JOA)
Yates Energy Corporation - 5.19% WI

Status	Net Acres	WI in Unit
Committed (Novo, COG, Jalapeno)	498.02	69.17%
Uncommitted	221.98	30.83%
	720	100.00%

Owner	Tract(s)	Net Acres	WI in Unit
Novo Oil & Gas Northern Delaware, LLC	C	320	44.44%
COG Operating, LLC - Committed via JOA	B	160	22.22%
Jalapeno Corporation - Committed via JOA	A, D	18.02	2.50%
MRC Delaware Resources LLC	A, D	95.23	13.23%
Oxy Y-1 Company	A, D	63.55	8.83%
EOG Resources, Inc.	A, D	41.96	5.83%
MCM Permian, LLC	A	11.20	1.56%
Sharbro Energy, LLC	D	5.89	0.82%
Yates Energy Corporation	D	4.15	0.57%
		720	100.00%

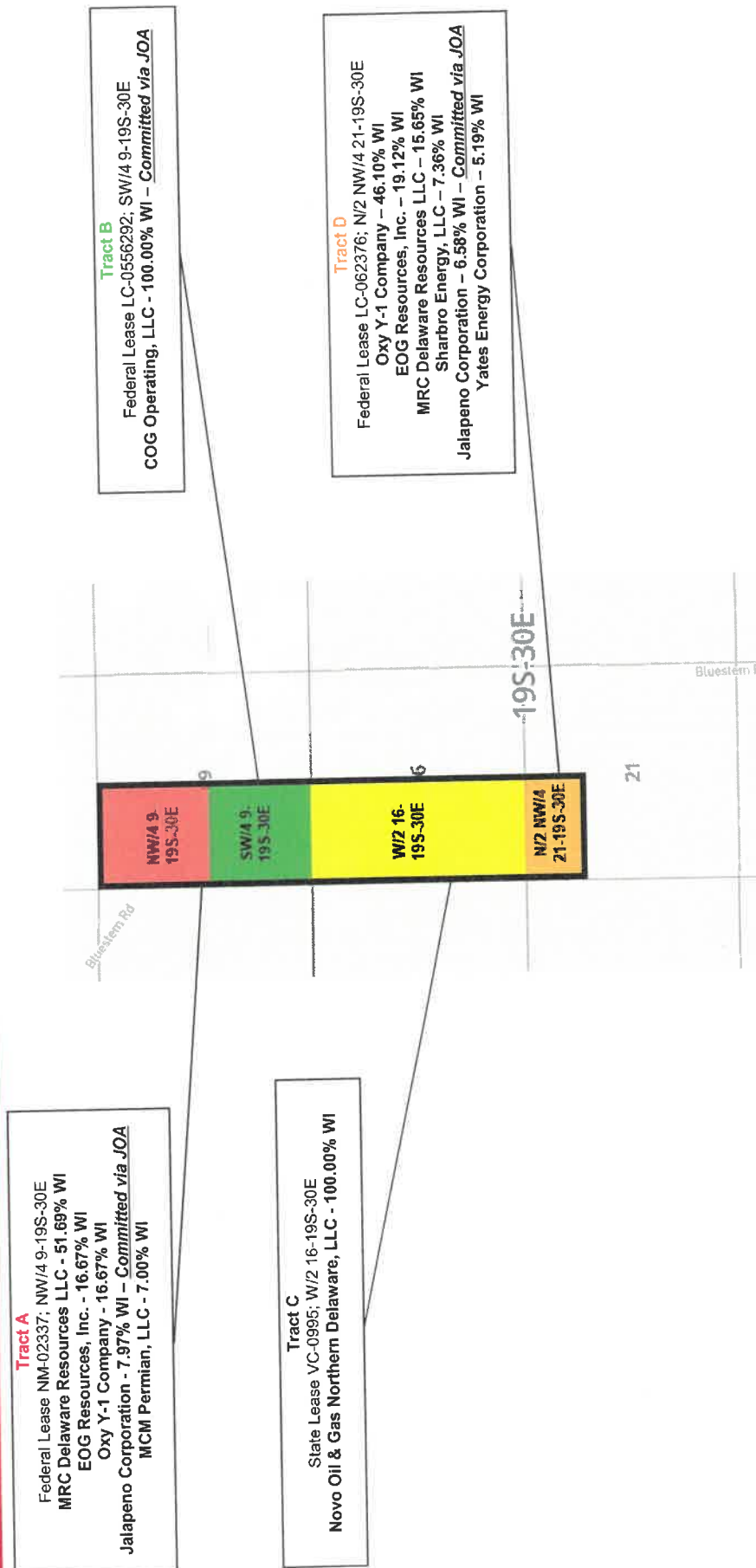
EXHIBIT

B.3

tabb



Ownership by Tract – Tickety Boo Fed Com 2109



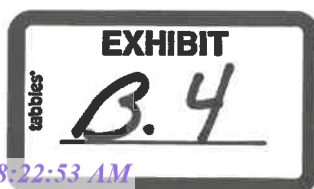
Parties to Be Pooled
Application of Novo Oil & Gas Northern Delaware, LLC for Compulsory
Pooling, Eddy County, New Mexico, Case No. 23210

Name	Interest
MRC Delaware Resources, LLC	WIO
Oxy Y-1 Company	WIO
EOG Resources, Inc.	WIO
MCM Permian, LLC	WIO
Sharbro Energy, LLC	WIO
Yates Energy Corporation	WIO
PetroYates, Inc.	ORRI
Central Southwest Oil Corporation Pension Trust c/o Susan Arrott	ORRI
Central Southwest Oil Corporation Pension Trust c/o Cathleen Ann Adams	ORRI
Susan Arrott a.k.a. Susan Carol Arrott	ORRI
Cathleen Ann Adams	ORRI
University of New Mexico Law School	ORRI
Conquistador Council of Boy Scouts of America Trust Fund	ORRI
Board of Regents of New Mexico Military Institute	ORRI
Kansas University Endowment Association	ORRI
First Presbyterian Church Foundation	ORRI
ZPZ Delaware I, LLC	ORRI
Marbob Energy Corporation	ORRI
Rolla R. Hinkle III	ORRI
Penasco Petroleum, LLC	ORRI
Lazy J Bar Cane, LLC	ORRI
Yates Brothers	ORRI

Summary of Contacts

- Novo conducted extensive title work to determine the interest owners in its proposed Tickety Boo Fed Com 2109 unit.
- Novo searched public records, phone directories, and conducted various types of internet searches to locate contact information for the interest owners.
- Novo sent well proposal letters to the working interest owners in its proposed unit on or about October 17, 2022.
- Novo also provided proposed Joint Operating Agreements (JOAs) to working interest owners upon request.
- Novo had multiple communications with each of the uncommitted working interest owners, which I have outlined in the chart below.
- On November 1, 2022, Novo filed applications to force pool parties who had not entered in to a voluntary agreement.
- Counsel for Novo sent notices of the compulsory pooling applications to the addresses of record for all interest owners, as demonstrated in the Notice Affidavit prepared by counsel for Novo.
- Novo also hired a broker to locate addresses for the overriding royalty interest owners, and the broker, McCright & Associates, LLC, made a good faith effort to locate addresses by official title records located in Eddy County, New Mexico, Google research, and people search programs.
- Counsel for Novo also published notice in a newspaper of general circulation in the county where the wells will be located.

Uncommitted Working Interest Owner	Date of Contact	Name of Contact(s)	Topic
Shabro Energy, LLC			
Shabro Energy, LLC	1/13/2023	Norma Daniels	Sent Sharbro email informing reminding them of pooling hearing, asking for confirmation as to whether they want their interest to be subject to pooling order or JOA
Shabro Energy, LLC	12/6/2022	Norma Daniels	Sharbro sent signed election ballots and AFEs for wells in which they intend to participate
Shabro Energy, LLC	11/21/2022	Norma Daniels	Confirmation via email of receipt of election ballots
Shabro Energy, LLC	11/18/2022	Norma Daniels	Sharbro sent signed election ballots via email indicating intent to participate in some, but not all, of the proposed wells



Shabro Energy, LLC	10/26/2022	Norma Daniels	Sharbro inquired via email as to potash drill island and mine status; replied same day via email, including a reply to Sharbro questions from 10/25
Shabro Energy, LLC	10/25/2022	Norma Daniels	Sharbro inquired via email as to anticipated spud dates, Sharbro's working and net revenue interests, and whether Novo's surface location had been approved
MCM Permian, LLC			
MCM Permian, LLC	10/18/2022	Leigha McBride	MCM reply regarding possible interest in divesting or participating
MCM Permian, LLC	10/18/2022	Leigha McBride	Followed up on well proposals via email, inquired as to MCM's interest in divesting interest
EOG Resources, Inc.			
EOG Resources, Inc.	10/20/2022	Laci Stretcher, Brian Pond	Commentary via email on possible deal structures to acquire EOG's interest
EOG Resources, Inc.	10/18/2022	Laci Stretcher	Followed up on well proposals via email, inquired as to EOG's interest in divesting interest
OXY Y-1 Company			
OXY Y-1 Company	10/24/2022	Jonathan Gonzales	Replied to Oxy's question from 10/20 regarding working and net revenue interest percentages via email, provided updated figures
OXY Y-1 Company	10/21/2022	Jonathan Gonzales	Oxy commentary on potential trade opportunities to allow Novo to acquire Oxy's interest in Tickety Boo via email
OXY Y-1 Company	10/20/2022	Jonathan Gonzales	Oxy question regarding their working and net revenue interest percentages; commentary on possible deal structures to divest Oxy's interest (all via email)
OXY Y-1 Company	10/18/2022	Jonathan Gonzales	Replied to Oxy's question from same day regarding Oxy's working and net revenue interest, Novo's development timing. Inquired as to possible deal structures to acquire Oxy's interest (all via email)

Yates Energy Corporation			
Yates Energy Corporation	1/6/2023	Becky Pemberton	Yates inquired via email as to wellbore and completion design, SWD plans, and permitting status. Replied via email same day.
Yates Energy Corporation	11/15/2022	Becky Pemberton	Yates left voicemail, followed up via email requesting copy of Novo's JOA form. Replied via email with copy of JOA form same day.
MRC Delaware Resources, LLC			
MRC Delaware Resources, LLC	11/18/2022	David Johns	Replied to MRC's question from 11/17 via email
MRC Delaware Resources, LLC	11/17/2022	David Johns	MRC inquired as to ownership and status of lease via e-mail
MRC Delaware Resources, LLC	10/26/2022	David Johns	Replied to MRC's question from 10/25 via e-mail
MRC Delaware Resources, LLC	10/25/2022	David Johns	MRC asked about working interest percentage via e-mail
MRC Delaware Resources, LLC	10/19/2022	David Johns	Replied to MRC's questions from their 10/18 e-mail
MRC Delaware Resources, LLC	10/18/2022	David Johns	MRC asked about completion design and target depth via e-mail
MRC Delaware Resources, LLC	10/18/2022	David Johns	Phone conversation regarding well proposals, anticipated development timing



Peter Schmidt
Senior Landman
Novo Oil & Gas Northern Delaware, LLC
1001 West Wilshire Blvd, Suite 206
Oklahoma City, Oklahoma 73116
Office: 405.849.5207
pschmidt@novoog.com

October 17, 2022

COG Operating, LLC
600 W. Illinois Avenue
Midland, TX 79701

Via Federal Express: Tracking No. 770228672775

Re: Well Proposals – Tickety Boo Fed Com 2109 Unit (720.00 acres)
W/2 of Section 9, W/2 of Section 16, and N/2 NW/4 Section 21
Township 19 South, Range 30 East, N.M.P.M.
Eddy County, New Mexico

Dear Working Interest Owner:

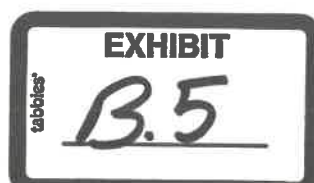
Novo Oil & Gas Northern Delaware, LLC (“Novo”) hereby proposes the drilling, completion, and equipping of the six (6) following described horizontal wells (the “Proposed Wells” or a “Proposed Well”) to initially develop a 720.00-acre horizontal spacing unit comprised of the west one-half (W/2) of Section 9, the west one-half of Section 16, and the north-half of the northwest quarter of Section 21, all in Township 19 South, Range 30 East, Eddy County, New Mexico (the “Subject Lands”), as follows:

Tickety Boo Fed Com 2109 121H

SHL: 1,561’ FNL & 1,864’ FWL of Section 21, Township 19 South, Range 30 East
First take point: 1,220’ FNL & 330’ FWL of Section 21, Township 19 South, Range 30 East
Last take point: 100’ FNL & 330’ FWL of Section 9, Township 19 South, Range 30 East
BHL: 10’ FNL & 330’ FWL of Section 9, Township 19 South, Range 30 East
The well will be drilled to an approximate true vertical depth of 8,325’ subsurface to develop the Second Bone Spring formation. The proposed well will have a measured depth of approximately 20,325’.

Tickety Boo Fed Com 2109 122H

SHL: 1,576’ FNL & 1,878’ FWL of Section 21, Township 19 South, Range 30 East
First take point: 1,220’ FNL & 1,320’ FWL of Section 21, Township 19 South, Range 30 East
Last take point: 100’ FNL & 1,320’ FWL of Section 9, Township 19 South, Range 30 East
BHL: 10’ FNL & 1,320’ FWL of Section 9, Township 19 South, Range 30 East
The well will be drilled to an approximate true vertical depth of 8,350’ subsurface to develop the Second Bone Spring formation. The proposed well will have a measured depth of approximately 20,350’.



Tickety Boo Fed Com 2109 123H

SHL: 1,590' FNL & 1,892' FWL of Section 21, Township 19 South, Range 30 East
 First take point: 1,220' FNL & 2,310' FWL of Section 21, Township 19 South, Range 30 East
 Last take point: 100' FNL & 2,310' FWL of Section 9, Township 19 South, Range 30 East
 BHL: 10' FNL & 2,310' FWL of Section 9, Township 19 South, Range 30 East
 The well will be drilled to an approximate true vertical depth of 8,370' subsurface to develop the Second Bone Spring formation. The proposed well will have a measured depth of approximately 20,370'.

Tickety Boo Fed Com 2109 131H

SHL: 1,649' FNL & 1,705' FWL of Section 21, Township 19 South, Range 30 East
 First take point: 1,220' FNL & 330' FWL of Section 21, Township 19 South, Range 30 East
 Last take point: 100' FNL & 330' FWL of Section 9, Township 19 South, Range 30 East
 BHL: 10' FNL & 330' FWL of Section 9, Township 19 South, Range 30 East
 The well will be drilled to an approximate true vertical depth of 9,485' subsurface to develop the Third Bone Spring formation. The proposed well will have a measured depth of approximately 21,485'.

Tickety Boo Fed Com 2109 132H

SHL: 1,677' FNL & 1,733' FWL of Section 21, Township 19 South, Range 30 East
 First take point: 1,220' FNL & 1,320' FWL of Section 21, Township 19 South, Range 30 East
 Last take point: 100' FNL & 1,320' FWL of Section 9, Township 19 South, Range 30 East
 BHL: 10' FNL & 1,320' FWL of Section 9, Township 19 South, Range 30 East
 The well will be drilled to an approximate true vertical depth of 9,510' subsurface to develop the Third Bone Spring formation. The proposed well will have a measured depth of approximately 21,510'.

Tickety Boo Fed Com 2109 133H

SHL: 1,706' FNL & 1,760' FWL of Section 21, Township 19 South, Range 30 East
 First take point: 1,220' FNL & 2,310' FWL of Section 21, Township 19 South, Range 30 East
 Last take point: 100' FNL & 2,310' FWL of Section 9, Township 19 South, Range 30 East
 BHL: 10' FNL & 2,310' FWL of Section 9, Township 19 South, Range 30 East
 The well will be drilled to an approximate true vertical depth of 9,530' subsurface to develop the Third Bone Spring formation. The proposed well will have a measured depth of approximately 21,530'.

Authority for Expenditure (AFE)

Enclosed with this letter is an Authority for Expenditure ("AFE") for each of the six (6) Proposed Wells. Please be aware that the enclosed AFE is only an estimate of costs to be incurred, and by electing to participate you shall be responsible for your proportionate share of all actual costs incurred.

Voluntary Agreement or Compulsory Pooling

Our records show that you own a working interest in the Subject Lands. Novo will provide, upon request, a proposed Joint Operating Agreement ("JOA") for development of the Subject Lands that will include a non-consent penalty of 300%/100% and COPAS drilling/producing rates of \$8,000/month and \$800/month, respectively.

If you would like to discuss a farmout, an assignment of interest, an acreage trade or other form of agreement for your interests in the Subject Lands, please let me know.

Should you elect to participate using the attached ballot, your interest will automatically be covered by the Operator's insurance unless and until you provide written notice to Operator to the contrary, together with a valid, current insurance certificate from your insurance carrier in compliance with Operator's minimum insurance requirements. Please enclose your most current well information requirements with your executed AFEs so that we may supply well data when available.

If we do not receive a response from you within 30-days or if we are unable to reach a voluntary agreement for the development of the Subject Lands, Novo will file an application with the New Mexico Oil Conservation Division for an order pooling your interests. Should you have any questions regarding the above, please do not hesitate to contact me at the information provided in the top of this letter.

Sincerely,

Novo Oil & Gas Northern Delaware, LLC



Peter Schmidt
Senior Landman

PARTICIPATION BALLOT


COG Operating, LLC hereby elects to:

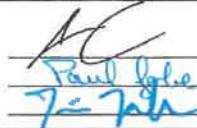
☐ Not to participate in the Tickety Boo Fed Com 2109 121H☐ Participate in the Tickety Boo Fed Com 2109 121H by paying its proportionate share of all actual costs.☐ Not to participate in the Tickety Boo Fed Com 2109 122H☐ Participate in the Tickety Boo Fed Com 2109 122H by paying its proportionate share of all actual costs.☐ Not to participate in the Tickety Boo Fed Com 2109 123H☐ Participate in the Tickety Boo Fed Com 2109 123H by paying its proportionate share of all actual costs.☐ Not to participate in the Tickety Boo Fed Com 2109 131H☐ Participate in the Tickety Boo Fed Com 2109 131H by paying its proportionate share of all actual costs.☐ Not to participate in the Tickety Boo Fed Com 2109 132H☐ Participate in the Tickety Boo Fed Com 2109 132H by paying its proportionate share of all actual costs.☐ Not to participate in the Tickety Boo Fed Com 2109 133H☐ Participate in the Tickety Boo Fed Com 2109 133H by paying its proportionate share of all actual costs.

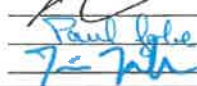
COG Operating, LLC


By: _____ Date: _____
Name:
Title:

NOVO		NOVO OIL & GAS NORTHERN DELAWARE, LLC AUTHORIZATION FOR EXPENDITURE 1001 West Wiskire, Suite 208 Oklahoma City, Oklahoma 73116 405-266-4351			
WELL NAME	Tickety Boo Fed Can 2169 121H	WFE TYPE	Development	WFE NUMBER	2019208
LATERAL LOCATION	1.226' FNL & 330' FVL 21-185-30E (FTP)	FIELD		PROPERTY NUMBER	30015-10205
SURFACE LOCATION	1.581' FNL & 1.644' FVL 21-185-30E	FORMATION	Second Bone Spring	DRILLING DAYS	21
BOTTOM HOLE LOCATION	10' FNL & 330' FVL 21-185-30E	COUNTY	Osage	DEPTH (TVDFTMD)	8,325/20,315'
PROJECT DESCRIPTION				STATE	
Drilling, Completion & Facilities costs for Nova 2.25 m/a Second Bone Spring horizontal well.				OK	
ACCT. CODE		DESCRIPTION OF EXPENDITURE		COST ESTIMATE	
IOG	IOG	IOG	IOG	DRILLING	COMPLETIONS
PREFIX	PREFIX	PREFIX	PREFIX		
300	500	400	600		
WELL INTANGIBLE COSTS					
301	501			\$25,000.00	\$25,000.00
302	502			\$71,500.00	\$71,500.00
303				\$60,000.00	\$60,000.00
304					\$0.00
305	505			\$535,500.00	\$535,500.00
306	506				\$0.00
307					\$300,000.00
308	508				\$0.00
309	509			\$100,000.00	\$100,000.00
310	510			\$231,000.00	\$231,000.00
311	511			\$50,000.00	\$50,000.00
312	512			\$48,000.00	\$225,000.00
313	513			\$159,600.00	\$600,000.00
314				\$100,000.00	\$798,600.00
315	515			\$29,000.00	\$100,000.00
316	516			\$90,000.00	\$29,000.00
317	517			\$60,000.00	\$50,000.00
318					\$0.00
319	519			\$125,000.00	\$125,000.00
320	520				\$240,000.00
321					\$0.00
322	522			\$40,000.00	\$45,000.00
323	523				\$85,000.00
324					\$0.00
325	525				\$1,400,000.00
326	526			\$81,600.00	\$50,000.00
327	527			\$38,000.00	\$40,000.00
328	528				\$0.00
329	529				\$540,000.00
330	530			\$50,000.00	\$500,000.00
331	531			\$70,000.00	\$560,000.00
332	532				\$70,000.00
333	533			\$10,000.00	\$10,000.00
334	534			\$20,000.00	\$10,000.00
335	535				\$20,000.00
336	536				\$0.00
337	537			\$20,000.00	\$20,000.00
338					\$0.00
339	539				\$0.00
340	540				\$0.00
341					\$0.00
342					\$0.00
343	543			\$30,000.00	\$30,000.00
344	544			\$10,000.00	\$5,000.00
345					\$0.00
346	546			\$0.00	\$0.00
347	547			\$105,358.00	\$105,358.00
348	548				\$0.00
349	549				\$800,000.00
350	550				\$775,000.00
351	551				\$0.00
352	552				\$0.00
353	553				\$4,999.70
354	554				\$0.00
355	555				\$15,585.48
356	556				\$342,569.72
357	557				\$2,000.06
358	558				\$0.00
359	559				\$0.00
360	560				\$0.00
361	561				\$0.00
362	562				\$0.00
363	563				\$0.00
364	564				\$0.00
365	565				\$0.00
366	566				\$0.00
367	567				\$0.00
368	568				\$0.00
369	569				\$0.00
370	570				\$0.00
371	571				\$0.00
372	572				\$0.00
373	573				\$0.00
374	574				\$0.00
375	575				\$0.00
376	576				\$0.00
377	577				\$0.00
378	578				\$0.00
379	579				\$0.00
380	580				\$0.00
381	581				\$0.00
382	582				\$0.00
383	583				\$0.00
384	584				\$0.00
385	585				\$0.00
386	586				\$0.00
387	587				\$0.00
388	588				\$0.00
389	589				\$0.00
390	590				\$0.00
391	591				\$0.00
392	592				\$0.00
393	593				\$0.00
394	594				\$0.00
395	595				\$0.00
396	596				\$0.00
397	597				\$0.00
398	598				\$0.00
399	599				\$0.00
400	600				\$0.00
401	601				\$0.00
402	602				\$0.00
403	603				\$0.00
404	604				\$0.00
405	605				\$0.00
406	606				\$0.00
407	607				\$0.00
408	608				\$0.00
409	609				\$0.00
410	610				\$0.00
411	611				\$0.00
412	612				\$0.00
413	613				\$0.00
414	614				\$0.00
415	615				\$0.00
416	616				\$0.00
417	617				\$0.00
418	618				\$0.00
419	619				\$0.00
420	620				\$0.00
421	621				\$0.00
422	622				\$0.00
423	623				\$0.00
424	624				\$0.00
425	625				\$0.00
426	626				\$0.00
427	627				\$0.00
428	628				\$0.00
429	629				\$0.00
430	630				\$0.00
431	631				\$0.00
432	632				\$0.00
433	633				\$0.00
434	634				\$0.00
435	635				\$0.00
436	636				\$0.00
437	637				\$0.00
438	638				\$0.00
439	639				\$0.00
440	640				\$0.00
441	641				\$0.00
442	642				\$0.00
443	643				\$0.00
444	644				\$0.00
445	645				\$0.00
446	646				\$0.00
447	647				\$0.00
448	648				\$0.00
449	649				\$0.00
450	650				\$0.00
451	651				\$0.00
452	652				\$0.00
453	653				\$0.00
454	654				\$0.00
455	655				\$0.00
456	656				\$0.00
457	657				\$0.00
458	658				\$0.00
459	659				\$0.00
460	660				\$0.00
461	661				\$0.00
462	662				\$0.00
463	663				\$0.00
464	664				\$0.00
465	665				\$0.00
466	666				\$0.00
467	667				\$0.00
468	668				\$0.00
469	669				\$0.00
470	670				\$0.00
471	671				\$0.00
472	672				\$0.00
473	673				\$0.00
474	674				\$0.00
475	675				\$0.00
476	676				\$0.00
477	677				\$0.00
478	678				\$0.00
479	679				\$0.00
480	680				\$0.00
481	681				\$0.00
482	682				\$0.00
483	683				\$0.00
484	684				\$0.00
485	685				\$0.00
486	686				\$0.00
487	687				\$0.00
488	688				\$0.00
489	689				\$0.00
490	690				\$0.00
491	691				\$0.00
492	692				\$0.00
493	693				\$0.00
494	694				\$0.00
495	695				\$0.00
496	696				\$0.00
497	697				\$0.00
498	698				\$0.00
499	699				\$0.00
500	700				\$0.00
501	701				\$0.00
502	702				\$0.00
503	703				\$0.00
504	704				\$0.00
505	705				\$0.00
506	706				\$0.00
507	707				\$0.00
508	708				\$0.00
509	709				\$0.00
510	710				\$0.00
511	711				\$0.00
512	712				\$0.00
513	713				\$0.00
514	714				\$0.00
515	715				\$0.00
516	716				\$0.00
517	717				\$0.00
518	718				\$0.00
519	719				\$0.00
520	720				\$0.00
521	721				\$0.00
522	722				

		NOVO OIL & GAS (NORTHERN DELAWARE, LLC) AUTHORIZATION FOR EXPENDITURE 1001 West Windsor, Suite 205 Oklahoma City, Oklahoma 73116 405-266-4391					
WELL NAME	Tackery Bco Fed Cam 2109 122H		AFE TYPE	Development	AFE NUMBER	2015207	
LATERAL LOCATION	1.220' FNL & 1.320' FVL 21-19S-30E (FTF)		FIELD		PROPERTY NUMBER	30015-10207	
SURFACE LOCATION	1.578' FNL & 1.878' FVL 21-19S-30E		FORMATION	Second Bone Spring	DAILING DAYS	21	
BOTTOM-HOLE LOCATION	10' FNL & 1.320' FVL 21-19S-30E		COUNTY	Eddy	DEPTH (TVD)(MD)	8,350/20,350	
					STATE	NM	
PROJECT DESCRIPTION			Drilling, Completion & Facilities costs for Novo 2.25 acre Second Bone Spring horizontal well.				
ACCT. CODE			DESCRIPTION OF EXPENDITURE		COST ESTIMATE		
IDC	ICC	TDC	TCC				
PREFIX	500	PREFIX	600	DRILLING	COMPLETIONS	FACILITIES	TOTAL
WELL INTANGIBLE COSTS							
301	501			\$25,000.00			\$25,000.00
302	502			\$71,500.00			\$71,500.00
303				\$60,000.00			\$60,000.00
304							\$0.00
305	505			\$535,500.00			\$535,500.00
306	506						\$0.00
307					\$300,000.00		\$300,000.00
308	508						\$0.00
309	509			\$100,000.00			\$100,000.00
310	510			\$231,000.00			\$231,000.00
311	511			\$50,000.00			\$50,000.00
312	512			\$86,000.00	\$225,000.00		\$311,000.00
313	513			\$199,600.00	\$500,000.00		\$799,600.00
314							\$100,000.00
315	515			\$100,000.00			\$29,000.00
316	516			\$29,000.00			\$60,000.00
317	517			\$60,000.00	\$50,000.00		\$110,000.00
318	518						\$0.00
319	519			\$125,000.00			\$125,000.00
320	520				\$240,000.00		\$240,000.00
321							\$0.00
322	522			\$40,000.00	\$45,000.00		\$85,000.00
323	523						\$0.00
324	524				\$1,400,000.00		\$1,400,000.00
325	525				\$60,000.00		\$50,000.00
326	526			\$81,600.00	\$50,000.00		\$131,600.00
327	527			\$35,000.00	\$40,000.00		\$75,000.00
328	528						\$0.00
329	529						\$0.00
330	530				\$840,000.00		\$840,000.00
331	531			\$50,000.00	\$500,000.00		\$550,000.00
332	532			\$70,000.00			\$70,000.00
333	533				\$10,000.00		\$10,000.00
334	534			\$10,000.00	\$10,000.00		\$20,000.00
335	535			\$20,000.00	\$10,000.00		\$30,000.00
336	536						\$0.00
337	537			\$20,000.00			\$20,000.00
338							\$0.00
339	539						\$0.00
340	540						\$0.00
341							\$0.00
342							\$0.00
343	543			\$30,000.00	\$30,000.00		\$60,000.00
344	544			\$10,000.00	\$5,000.00		\$15,000.00
345							\$0.00
346	546			\$0.00			\$0.00
347	547			\$105,358.00			\$105,358.00
348	548						\$0.00
349	549				\$800,000.00		\$800,000.00
350	550				\$775,000.00		\$775,000.00
351	551						\$0.00
352	552						\$0.00
353							\$0.00
354	554					\$4,999.70	\$4,999.70
355	555						\$0.00
356	556					\$15,585.48	\$15,585.48
357	557					\$342,569.72	\$342,569.72
358	558					\$2,000.00	\$2,000.00
359	559						\$0.00
TOTAL WELL INTANGIBLE COSTS				\$2,205,558.00	\$5,610,000.00	\$365,154.96	\$8,180,712.96
WELL TANGIBLE COSTS							
401				\$40,000.00			\$40,000.00
402				\$42,603.00			\$42,603.00
403				\$0.00			\$0.00
404	504			\$221,948.00			\$221,948.00
405	505			\$929,893.00			\$929,893.00
406	506						\$0.00
407	507						\$0.00
408	508						\$0.00
409	509			\$50,000.00			\$50,000.00
410						\$75,000.00	\$75,000.00
411							\$0.00
412							\$0.00
413						\$587,871.48	\$587,871.48
414						\$210,846.48	\$210,846.48
415							\$0.00
416	516						\$0.00
417	517						\$0.00
418	518						\$0.00
419	519						\$0.00
420						\$428,264.31	\$428,264.31
421	521						\$100,000.00
422	522						\$0.00
423	523						\$0.00
424	524						\$0.00
425	525						\$0.00
TOTAL TANGIBLE COSTS				\$1,384,442.00	\$0.00	\$1,301,982.25	\$2,686,424.25
TOTAL ESTIMATED WELL COST				\$3,590,000.00	\$5,610,000.00	\$1,667,137.21	\$11,667,137.21

PREPARED BY:  Senior Operations Engineer DATE: 10/13/2022

OPERATOR APPROVAL:  COO

OPERATOR APPROVAL:  CEO or CFO

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

NOVO		NOVO OIL & GAS NORTHERN DELAWARE, LLC AUTHORIZATION FOR EXPENDITURE 1001 West Wadsworth, Suite 200 Oklahoma City, Oklahoma 73116 405-285-4331			
WELL NAME	Tickety Boo Fed Com 2109 123H	AFE TYPE	Development	AFE NUMBER	2015209
LATERAL LOCATION	1.220' FWL & 2.310' FWL 21-195-30E (FTP)	FIELD		PROPERTY NUMBER	30015-10209
SURFACE LOCATION	1.507' FWL & 1.892' FWL 21-195-30E	FORMATION	Second Bone Springs	DRILLING DAYS	21
BOTTOM-HOLE LOCATION	10' FWL & 2.310' FWL 9-195-30E	COUNTY	LeFlore	DEPTH (TYD/THD)	9 370/20 370'
PROJECT DESCRIPTION				STATE	OK
Drilling, Completion & Facilities costs for Novus 2.25 mds Second Bone Springs horizontal well					
ACCT. CODE		DESCRIPTION OF EXPENDITURE		COST ESTIMATE	
IDC	ICC	TDC	TCC	DRILLING	COMPLETIONS
PREFIX 300	PREFIX 500	PREFIX 400	PREFIX 600		
WELL INTANGIBLE COSTS					
301	501			\$25,000.00	\$25,000.00
302	502			\$71,500.00	\$71,500.00
303				\$60,000.00	\$60,000.00
304				\$0.00	\$0.00
305	505			\$535,500.00	\$535,500.00
506					\$0.00
507					\$300,000.00
508					\$0.00
509					\$300,000.00
510				\$100,000.00	\$100,000.00
511				\$231,000.00	\$231,000.00
512				\$50,000.00	\$50,000.00
513				\$95,000.00	\$95,000.00
514				\$169,600.00	\$169,600.00
515				\$100,000.00	\$100,000.00
516				\$29,000.00	\$29,000.00
517				\$90,000.00	\$90,000.00
518				\$50,000.00	\$50,000.00
519				\$125,000.00	\$125,000.00
520					\$240,000.00
521					\$0.00
522				\$40,000.00	\$40,000.00
523					\$45,000.00
524					\$1,400,000.00
525					\$90,000.00
526				\$81,600.00	\$81,600.00
527				\$36,000.00	\$36,000.00
528					\$0.00
529					\$500,000.00
530					\$79,000.00
531					\$10,000.00
532					\$10,000.00
533					\$20,000.00
534					\$20,000.00
535					\$0.00
536					\$20,000.00
537					\$0.00
538					\$0.00
539					\$0.00
540					\$0.00
541					\$0.00
542					\$0.00
543				\$30,000.00	\$30,000.00
544				\$10,000.00	\$10,000.00
545					\$0.00
546					\$0.00
547				\$105,358.00	\$105,358.00
548					\$0.00
549					\$800,000.00
550					\$775,000.00
551					\$0.00
552					\$0.00
553					\$4,999.70
554					\$0.00
555					\$15,585.48
556					\$342,569.72
557					\$2,000.06
558					\$0.00
TOTAL WELL INTANGIBLE COSTS				\$2,205,558.00	\$5,810,000.00
WELL TANGIBLE COSTS					
401				\$40,000.00	\$40,000.00
402				\$42,603.00	\$42,603.00
403				\$0.00	\$0.00
404	604			\$221,948.00	\$221,948.00
405	605			\$929,893.00	\$929,893.00
406	606				\$0.00
407	607				\$0.00
408	608				\$0.00
409	609			\$50,000.00	\$50,000.00
410					\$75,000.00
411					\$0.00
412					\$0.00
413					\$587,871.46
414					\$210,846.48
415					\$0.00
416					\$0.00
417					\$0.00
418					\$0.00
419					\$0.00
420					\$0.00
421	634				\$428,264.31
422	647			\$100,000.00	\$100,000.00
423	648				\$0.00
424	649				\$0.00
425	649				\$0.00
TOTAL TANGIBLE COSTS				\$1,384,442.00	\$0.00
TOTAL ESTIMATED WELL COST				\$3,590,000.00	\$5,810,000.00

PREPARED BY:

Senior Operations Engineer

DATE:

10/13/2022

OPERATOR APPROVAL:

COO

OPERATOR APPROVAL:

CEO or CFO

PARTNER COMPANY NAME:

DATE:

PARTNER APPROVAL:

TITLE:

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

NOVO				NOVO OIL & GAS NORTHERN DELAWARE, LLC AUTHORIZATION FOR EXPENDITURE 1001 West Wilshire, Suite 200 Oklahoma City, Oklahoma 73116 405-246-4391			
WELL NAME	Tickey Bos Fed Com 2109 131H			AFE TYPE	Development		
LATERAL LOCATION	1.220' FNL & 330' FVL, 21-18S-30E (FTP)			FIELD	30015-10309		
SURFACE LOCATION	1.649' FNL & 1.705' FVL, 21-18S-30E			FORMATION	Third Bone Spring		
BOTTOM HOLE LOCATION	10' FNL & 330' FVL, 0-18S-30E			COUNTY	Leed		
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for Novo 2.25 mile Third Bone Spring horizontal well.			STATE	NM		
ACCT. CODE	DESCRIPTION OF EXPENDITURE			COST ESTIMATE			
IOC	ICC	TDC	TCC	DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX	600	PREFIX	600				
300	500	400	600				
WELL INTANGIBLE COSTS							
301	501			\$25,000.00			\$25,000.00
302	502			\$71,500.00			\$71,500.00
303				\$50,000.00			\$50,000.00
304							\$0.00
305	505			\$398,500.00			\$398,500.00
306	506						\$0.00
307					\$300,000.00		\$300,000.00
308							\$0.00
309	509			\$100,000.00			\$100,000.00
310	510			\$273,000.00			\$273,000.00
311	511			\$50,000.00			\$50,000.00
312	512			\$68,000.00	\$225,000.00		\$293,000.00
313	513			\$176,400.00	\$500,000.00		\$676,400.00
314				\$100,000.00			\$100,000.00
315	515			\$35,000.00			\$35,000.00
316	516			\$80,000.00			\$80,000.00
317	517			\$50,000.00	\$50,000.00		\$100,000.00
318	518						\$0.00
319	519			\$125,000.00			\$125,000.00
320	520				\$240,000.00		\$240,000.00
321	521						\$0.00
322	522			\$40,000.00	\$45,000.00		\$85,000.00
323	523						\$0.00
324	524				\$1,400,000.00		\$1,400,000.00
325	525				\$90,000.00		\$90,000.00
326	526			\$91,200.00	\$50,000.00		\$141,200.00
327	527			\$38,000.00	\$40,000.00		\$78,000.00
328	528						\$0.00
329	529				\$640,000.00		\$640,000.00
330	530				\$500,000.00		\$500,000.00
331	531			\$60,000.00			\$60,000.00
332	532			\$70,000.00			\$70,000.00
333	533				\$10,000.00		\$10,000.00
334	534			\$10,000.00	\$10,000.00		\$20,000.00
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343	543			\$30,000.00	\$30,000.00		\$60,000.00
344	544			\$10,000.00	\$5,000.00		\$15,000.00
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346	546			\$0.00			\$0.00
347	547			\$50,622.00			\$50,622.00
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349	549				\$900,000.00		\$900,000.00
350	550				\$775,000.00		\$775,000.00
351	551						\$0.00
352	552						\$0.00
353	553					\$4,669.70	\$4,669.70
354	554						\$0.00
355	555					\$15,565.48	\$15,565.48
356	556					\$342,569.72	\$342,569.72
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NOVO		NOVO OIL & GAS NORTHERN DELAWARE, LLC AUTHORIZATION FOR EXPENDITURE 1801 West Village, Suite 200 Oklahoma City, Oklahoma 73116 405-245-4351			
WELL NAME	Ticket: Boo Fed Com 2109 132H	AFE TYPE	Development	AFE NUMBER	2018210
LATERAL LOCATION	1.220' FNL & 1.230' FNL 21-19S-30E (F1P)	FIELD		PROPERTY NUMBER	00215-10210
SURFACE LOCATION	1.677' FNL & 1.737' FNL 21-19S-30E	FORMATION	Third Bone Spring	DRILLING DAYS	24.5
BOTTOM HOLE LOCATION	10' FNL & 1.220' FNL 9-14S-30E	COUNTY	Edgar	DEPTH (TYO/TMD)	8.310/21.510'
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for Novo 2.25 mte Third Bone Spring horizontal well.			
ACCT. CODE		DESCRIPTION OF EXPENDITURE		COST ESTIMATE	
IOG	IOG	IOG	IOG	DRILLING	COMPLETIONS
PREFIX	PREFIX	PREFIX	PREFIX		
300	500	400	600		
WELL INTANGIBLE COSTS					
301	501				
302	502				
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NOVO

NOVO OIL & GAS NORTHERN DELAWARE, LLC
 AUTHORIZATION FOR EXPENDITURE
 1001 West Wabash, Suite 206
 Oklahoma City, Oklahoma 73116
 405-288-4391

WELL NAME				Tickety Boo Fed Com 2109 133H		WELL TYPE		Development		WELL NUMBER		2015211	
LATERAL LOCATION				1,220 FNL & 2,310 FWL 21-193-30E (FTP)		FIELD		FIELD		PROPERTY NUMBER		30015-10211	
SURFACE LOCATION				1,708 FNL & 1,760 FWL 21-193-30E		FORMATION		Third Bone Spring		DRILLING DAYS		24.5	
BOTTOM-HOLE LOCATION				10' FNL & 2,310' FWL 9-165-30E		COUNTY		Eddy		DEPTH (TVD/MD)		9,530/21,537	
PROJECT DESCRIPTION				Drilling, Completion & Facilities costs for Novo 225 mile Third Bone Spring horizontal well									
ACCT. CODE				DESCRIPTION OF EXPENDITURE						COST ESTIMATE			
DOC	ICC	TCC	TCG							DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	PREFIX 400	PREFIX 500	PREFIX 600	WELL INTANGIBLE COSTS									
301	501			SURVEY/PERMITS/DAMAGES						\$25,000.00			\$25,000.00
302	502			LOCATION & ROAD						\$71,500.00			\$71,500.00
303				RIG MOVE						\$50,000.00			\$50,000.00
304				DRILLING - FOOTAGE						\$0.00			\$0.00
305	505			DRILLING - DAYWORK						\$598,500.00			\$598,500.00
	506			COMPLETION/WORKOVER RIG									\$0.00
	507			COIL TUBING/SUBSURF UNIT							\$300,000.00		\$300,000.00
	508			SUCKLINE/SWABING									\$0.00
309	509			BOTS						\$100,000.00			\$100,000.00
310	510			DIRECTIONAL SERVICES						\$273,000.00			\$273,000.00
311	511			CASING CREW						\$50,000.00			\$50,000.00
312	512			TOOL & EQUIPMENT RENTAL						\$99,000.00	\$225,000.00		\$324,000.00
313	513			FUEL & POWER						\$178,400.00	\$600,000.00		\$778,400.00
314				DIESEL - BASE FUEL						\$100,000.00			\$100,000.00
315	515			MUD LOGGING & GEOLOGIST						\$35,000.00			\$35,000.00
316	516			DISPOSAL RESTORATION & BACKFILL						\$90,000.00			\$90,000.00
317	517			TRUCKING						\$50,000.00	\$50,000.00		\$100,000.00
	518			TESTING									\$0.00
319	519			CEMENTING						\$125,000.00			\$125,000.00
320	520			PERFORATING							\$240,000.00		\$240,000.00
	521			CASED HOLE LOGS									\$0.00
322	522			DOWNHOLE TOOLS & SERVICE						\$40,000.00	\$45,000.00		\$85,000.00
323	523			SCIENCE & DIAGNOSTICS									\$0.00
	524			FORMATION STABILIZATION							\$1,400,000.00		\$1,400,000.00
326	526			CONSULTING SERVICES/SUPERVISION						\$90,000.00			\$90,000.00
327	527			CONTRACT LABOR / SERVICES						\$91,200.00	\$50,000.00		\$141,200.00
328	528			OTHER LABOR						\$36,000.00	\$40,000.00		\$76,000.00
329	529			OVERHEAD									\$0.00
330	530			WATER - FRESH						\$640,000.00	\$500,000.00		\$1,140,000.00
331	531			FLUIDS & CHEMICALS						\$60,000.00			\$60,000.00
332	532			CORING & ANALYSIS						\$70,000.00			\$70,000.00
333	533			COMMUNICATIONS						\$10,000.00	\$10,000.00		\$20,000.00
334	534			BOP TESTING						\$10,000.00	\$10,000.00		\$20,000.00
335	535			CO2/NITROGEN						\$20,000.00			\$20,000.00
336	536			FISHING TOOLS & SERVICES									\$0.00
337	537			INSPECTIONS						\$20,000.00			\$20,000.00
338				WIRELINE SERVICES									\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD									\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE									\$0.00
341				MULTISHOT & GYRO									\$0.00
342	</												

PREPARED BY:  Senior Operations Engineer DATE: 20/10/2022

OPERATOR APPROVAL:  COO

OPERATOR APPROVAL:  CEO or CFO

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

The price of the AFE 431 is £11,995. Purchase with poles £2299.12. VAT free. Price includes 1 year of 24-hour service.

**STATE OF NEW MEXICO
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. 23210

SELF-AFFIRMED DECLARATION OF EARL E. DEBRINE, JR.

Earl E. DeBrine Jr., attorney in fact and authorized representative of Novo Oil & Gas Northern Delaware LLC ("Novo"), the Applicant herein, declares as follows:

- 1) The above-referenced application was provided under a notice letter, dated November 3, 2022, and attached hereto, as **Exhibit B.7.1**.
- 2) **Exhibit B.7.2** is the mailing list, which shows the notice letters to the interest owners in this case were received by USPS for mailing on November 3, 2022.
- 3) **Exhibit B.7.3** is the certified mailing tracking information as of January 6, 2023, which was generated by WALZ CertifiedPro, the software Modrall Sperling uses to track the mailings. This spreadsheet shows the names and addresses of the parties to whom notice was sent and the status of the mailing. This spreadsheet currently shows numerous letters with a "Mailing Status" of "Delivered," while some letters are shown with a status of "To be Mailed." Counsel for Novo investigated why the status of "To be Mailed" is reflected for some of the notice letters. Counsel's staff hand-delivered all of the notice letters shown on the spreadsheet to USPS's Main Post Office located at 1135 Broadway Blvd. NE, Albuquerque, NM 87101 in a single package on November 3, 2022. Counsel has contacted USPS and the tracking service but both have been unable to determine the basis for the "To be Mailed" status. USPS indisputably received all 24 notice letters on November 3, 2022, as reflected on Exhibit B.7.2.




4) Because of the USPS's apparent failure to mail some of the notice letters, Counsel for Novo re-mailed the application to the parties with a status of "To Be Mailed" in letters dated January 9, 2023 and January 17, 2023, attached hereto as **Exhibit B.7.4**.

5) Out of an abundance of caution, Novo also provided notice of those applications by publication in the Carlsbad Current Argus, which was published on November 8, 2022. A copy of the Affidavit of Publication is attached hereto as **Exhibit B.7.5**.

I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: January 17, 2023



Earl E. DeBrine Jr.
Counsel for Applicant



MODRALL SPERLING

L A W Y E R S

November 3, 2022

Earl E. DeBrine, Jr.
Tel: 505.848.1810
edebrine@modrall.com

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

This letter is to advise you that Novo Oil & Gas Northern Delaware, LLC has filed the enclosed application with the New Mexico Oil Conservation Division:

CASE NO. 23210: Application of Novo Oil & Gas Northern Delaware, LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The spacing unit will be dedicated to the **Tickety Boo Fed Com 2109 121H, Tickety Boo Fed Com 2109 122H, Tickety Boo Fed Com 2109 123H, Tickety Boo Fed Com 2109 131H, Tickety Boo Fed Com 2109 132H, and Tickety Boo Fed Com 2109 133H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the **Tickety Boo Fed Com 2109 122H** and the **Tickety Boo Fed Com 2109 132H** wells will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Novo as operator of the wells, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northwest of Carlsbad, New Mexico.

This application has been set for hearing before a Division Examiner at **8:15 a.m. on December 1, 2022**. As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in this case at a later date. If you desire to appear in these cases and present evidence, then you are required to comply with the filing requirements set forth in the Prehearing Order for such cases, a copy of which is enclosed.

Modrall Sperling
Roehl Harris & Sisk P.A.

500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com



OCD Examiner Hearing 1-19-23
Case No. 23210

40

Case No. 23210 Novo/Tickety Boo
November 3, 2022
Page 2

Currently the Division is conducting hearings remotely. Instructions to appear can be found under "OCD Hearing Notices" at <https://www.emnrd.nm.gov/ocd/hearing-info/>.

Sincerely,

/s/ Earl E. DeBrine, Jr.

Earl E. DeBrine, Jr.
Attorney for Applicant

EED/hta/W4541492.DOCX
Enclosure: as stated

**STATE OF NEW MEXICO
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. 23210

APPLICATION

Novo Oil & Gas Northern Delaware, LLC ("Novo" or "Applicant"), OGRID No. 372920, through its undersigned attorneys, hereby files an application to the Oil Conservation Division (the "Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a 720-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. In support of this application, Novo states as follows:

1. Novo has an interest in the subject lands and has a right to drill a well thereon.
2. Novo seeks to dedicate the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico to form a 720-acre, more or less, Bone Spring standard horizontal spacing unit located in the Designated Potash Area.
3. Novo plans to drill the **Tickety Boo Fed Com 2109 121H, Tickety Boo Fed Com 2109 122H, Tickety Boo Fed Com 2109 123H, Tickety Boo Fed Com 2109 131H, Tickety Boo Fed Com 2109 132H, and Tickety Boo Fed Com 2109 133H** wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox.

4. The completed interval for both the **Tickety Boo Fed Com 2109 122H** and the **Tickety Boo Fed Com 2109 132H** wells are expected to be less than 330 feet from the adjoining quarter-quarter section tracts to allow for the inclusion of such offsetting proximity tracts within the proposed spacing unit for the wells under Division Rule 19.15.16.15(B)(1)(b) NMAC.

5. Novo sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

6. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Novo requests this application be set for hearing before an Examiner of the Oil Conservation Division on December 1, 2022, and after notice and hearing as required by law, the Division enter its order as expeditiously as possible:

A. Creating an approximated 720-acre, more or less, standard horizontal spacing unit in the Bone Spring formation comprised of the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico;

C. Designating Novo as operator of the horizontal spacing unit and the wells to be drilled thereon;

D. Authorizing Novo to recover its costs of drilling, equipping and completing the wells;

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Page 3 of 4

E. 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

F. Imposing a 200% charge for the risk assumed by Novo in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: /s/ Earl E. DeBrine, Jr.

Earl E. DeBrine, Jr.

Deana M. Bennett

Bryce H. Smith

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

edebrine@modrall.com

dbennett@modrall.com

bsmith@modrall.com

Attorneys for Novo Oil & Gas Northern Delaware, LLC

CASE NO. 23210 : Application of Novo Oil & Gas Northern Delaware, LLC for compulsory pooling, Eddy County, New Mexico. Novo Oil & Gas Northern Delaware, LLC seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The spacing unit will be dedicated to the **Tickety Boo Fed Com 2109 121H, Tickety Boo Fed Com 2109 122H, Tickety Boo Fed Com 2109 123H, Tickety Boo Fed Com 2109 131H, Tickety Boo Fed Com 2109 132H, and Tickety Boo Fed Com 2109 133H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the **Tickety Boo Fed Com 2109 122H** and the **Tickety Boo Fed Com 2109 132H** wells will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Novo as operator of the wells, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northwest of Carlsbad, New Mexico.

Kathleen Allen
Modrall Sperling
500 Fourth St. NW, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
11/03/2022

Firm Mailing Book ID: 236169

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0101 1598 16	Board of Regents of New Mexico Military Institute 101 W. College Blvd. Roswell NM 88201	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
2	9314 8699 0430 0101 1598 23	Cathleen Ann Adams P.O. Box 45807 Rio Rancho NM 87174	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
3	9314 8699 0430 0101 1598 30	Central Southwest Oil Corporation Pension Trust c/o Susan Arrott P.O. Box 95074 North Little Rock AR 72190	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
4	9314 8699 0430 0101 1598 47	Central Southwest Oil Corporation Pension Trust c/o Cathleen Ann Adams P.O. Box 45807 Rio Rancho NM 87174	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
5	9314 8699 0430 0101 1598 54	COG Operating, LLC 600 W. Illinois Avenue Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
6	9314 8699 0430 0101 1598 61	Conquistador Council of Boy Scouts of America Trust Fund 2603 N. Aspen Ave. Roswell NM 88201	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
7	9314 8699 0430 0101 1598 78	EOG Resources, Inc. 5509 Champions Drive Midland TX 79706	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
8	9314 8699 0430 0101 1598 85	First Presbyterian Church Foundation 400 West Third St. Roswell NM 88201	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
9	9314 8699 0430 0101 1598 92	Jalapeno Corporation P.O. Box 1608 Albuquerque NM 87103	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
10	9314 8699 0430 0101 1599 08	Kansas University Endowment Association P.O. Box 928 Lawrence KS 66044-0928	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
11	9314 8699 0430 0101 1599 15	Lazy J Bar Cane, LLC P.O. Box 3660 Roswell NM 88202	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
12	9314 8699 0430 0101 1599 22	Marbob Energy Corporation c/o COG Operating, LLC 600 W. Illinois Avenue Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
13	9314 8699 0430 0101 1599 39	MCM Permian, LLC 223 W. Wall Street, Suite 400 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
14	9314 8699 0430 0101 1599 46	MRC Delaware Resources LLC 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003

Page 1
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EXHIBIT

B.7.2



Kathleen Allen
Modrall Sperling
500 Fourth St. NW, Suite 1000
Albuquerque NM 87102

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Type of Mailing: CERTIFIED MAIL
11/03/2022

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Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
15	9314 8699 0430 0101 1599 53	Oxy Y-1 Company 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
16	9314 8699 0430 0101 1599 60	Penasco Petroleum, LLC P.O. Box 2292 Roswell NM 88202-2292	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
17	9314 8699 0430 0101 1599 77	Petro Yates, Inc. P.O. Box 1608 Albuquerque NM 87103	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
18	9314 8699 0430 0101 1599 84	Rolla R. Hinkle III P.O. Box 2292 Roswell NM 88202-2292	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
19	9314 8699 0430 0101 1599 91	Sharbro Energy, LLC P.O. Box 840 Artesia NM 88211-0840	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
20	9314 8699 0430 0101 1600 03	Susan Arrott a.k.a. Susan Carol Arrott P.O. Box 95074 North Little Rock AR 72190	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
21	9314 8699 0430 0101 1600 10	University of New Mexico Law School 1117 Stanford NE Albuquerque NM 87131-0001	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
22	9314 8699 0430 0101 1600 27	Yates Brothers P.O. Box 1394 Artesia NM 88211-1394	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
23	9314 8699 0430 0101 1600 34	Yates Energy Corporation P.O. Box 2323 Roswell NM 88202-2323	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
24	9314 8699 0430 0101 1600 41	ZPZ Delaware I, LLC 2000 Post Oak Blvd., Suite 100 Houston TX 77056	\$1.44	\$4.00	\$2.00	\$0.00	10091.0003
Totals:			\$34.56	\$96.00	\$48.00	\$0.00	\$178.56

List Number of Pieces Received at Post Office

Postmaster: Name of receiving employee

Dated:

24

OCD Examiner Hearing 1-19-23

Case No. 23210

47

EXHIBIT
B.7.3
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MODRALL SPERLING
LAWYERS

Earl E. DeBrine, Jr.
Tel: 505.848.1810
edebrine@modrall.com

January 9, 2023

VIA FEDERAL EXPRESS - OVERNIGHT DELIVERY

TO: AFFECTED PARTIES

This letter is to advise you that Novo Oil & Gas Northern Delaware, LLC has filed the enclosed application with the New Mexico Oil Conservation Division:

CASE NO. 23210: Application of Novo Oil & Gas Northern Delaware, LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The spacing unit will be dedicated to the **Tickety Boo Fed Com 2109 121H, Tickety Boo Fed Com 2109 122H, Tickety Boo Fed Com 2109 123H, Tickety Boo Fed Com 2109 131H, Tickety Boo Fed Com 2109 132H, and Tickety Boo Fed Com 2109 133H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the **Tickety Boo Fed Com 2109 122H** and the **Tickety Boo Fed Com 2109 132H** wells will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Novo as operator of the wells, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northwest of Carlsbad, New Mexico.

This application has been set for hearing before a Division Examiner at **8:15 a.m. on January 19, 2022**. This hearing is subject to continuance by the Division to a subsequent docket date. As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in this case at a later date. If you desire to appear in these cases and present evidence, then you are required to comply with the filing requirements set forth in the Prehearing Order for such cases, a copy of which is enclosed.

Modrall Sperling
Roehl Harris & Sisk P.A.

500 Fourth Street NW
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PO Box 2168
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New Mexico 87103-2168

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OCD Examiner Hearing 1-19-23

Case No. 23210

49

Case No. 23210 Novo/Tickety Boo
January 9, 2023
Page 2

Currently the Division is conducting hearings remotely. Instructions to appear can be found under "OCD Hearing Notices" at <https://www.emnrd.nm.gov/ocd/hearing-info/>.

Sincerely,

/s/ Earl E. DeBrine, Jr.

Earl E. DeBrine, Jr.
Attorney for Applicant

EED/hta/W4601779.DOCX
Enclosure: as stated

Received by OCD: 11/1/2022 2:09:31 PM

Page 1 of 4

**STATE OF NEW MEXICO
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. 23210

APPLICATION

Novo Oil & Gas Northern Delaware, LLC ("Novo" or "Applicant"), OGRID No. 372920, through its undersigned attorneys, hereby files an application to the Oil Conservation Division (the "Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a 720-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. In support of this application, Novo states as follows:

1. Novo has an interest in the subject lands and has a right to drill a well thereon.
2. Novo seeks to dedicate the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico to form a 720-acre, more or less, Bone Spring standard horizontal spacing unit located in the Designated Potash Area.
3. Novo plans to drill the **Tickety Boo Fed Com 2109 121H, Tickety Boo Fed Com 2109 122H, Tickety Boo Fed Com 2109 123H, Tickety Boo Fed Com 2109 131H, Tickety Boo Fed Com 2109 132H, and Tickety Boo Fed Com 2109 133H** wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox.

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OCD Examiner Hearing 1-19-23

Case No. 23210

51

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Page 2 of 4

4. The completed interval for both the **Tickety Boo Fed Com 2109 122H** and the **Tickety Boo Fed Com 2109 132H** wells are expected to be less than 330 feet from the adjoining quarter-quarter section tracts to allow for the inclusion of such offsetting proximity tracts within the proposed spacing unit for the wells under Division Rule 19.15.16.15(B)(1)(b) NMAC.

5. Novo sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

6. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Novo requests this application be set for hearing before an Examiner of the Oil Conservation Division on December 1, 2022, and after notice and hearing as required by law, the Division enter its order as expeditiously as possible:

A. Creating an approximated 720-acre, more or less, standard horizontal spacing unit in the Bone Spring formation comprised of the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico;

C. Designating Novo as operator of the horizontal spacing unit and the wells to be drilled thereon;

D. Authorizing Novo to recover its costs of drilling, equipping and completing the wells;

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E. 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

F. Imposing a 200% charge for the risk assumed by Novo in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: /s/ Earl E. DeBrine, Jr.

Earl E. DeBrine, Jr.

Deana M. Bennett

Bryce H. Smith

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

edebrine@modrall.com

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Attorneys for Novo Oil & Gas Northern Delaware, LLC

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Page 4 of 4

CASE NO. 23210 : Application of Novo Oil & Gas Northern Delaware, LLC for compulsory pooling, Eddy County, New Mexico. Novo Oil & Gas Northern Delaware, LLC seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The spacing unit will be dedicated to the **Tickety Boo Fed Com 2109 121H, Tickety Boo Fed Com 2109 122H, Tickety Boo Fed Com 2109 123H, Tickety Boo Fed Com 2109 131H, Tickety Boo Fed Com 2109 132H, and Tickety Boo Fed Com 2109 133H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the **Tickety Boo Fed Com 2109 122H** and the **Tickety Boo Fed Com 2109 132H** wells will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Novo as operator of the wells, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northwest of Carlsbad, New Mexico.

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MODRALL SPERLING

L A W Y E R S

January 17, 2023

Earl E. DeBrine, Jr.
Tel: 505.848.1810
edebrine@modrall.com

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Marbob Energy Corporation
P.O. Box 227
Artesia, NM 88211

This letter is to advise you that Novo Oil & Gas Northern Delaware, LLC has filed the enclosed application with the New Mexico Oil Conservation Division:

CASE NO. 23210: Application of Novo Oil & Gas Northern Delaware, LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The spacing unit will be dedicated to the **Tickety Boo Fed Com 2109 121H, Tickety Boo Fed Com 2109 122H, Tickety Boo Fed Com 2109 123H, Tickety Boo Fed Com 2109 131H, Tickety Boo Fed Com 2109 132H, and Tickety Boo Fed Com 2109 133H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the **Tickety Boo Fed Com 2109 122H** and the **Tickety Boo Fed Com 2109 132H** wells will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Novo as operator of the wells, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northwest of Carlsbad, New Mexico.

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Case No. 23210 Novo/Tickety Boo

January 17, 2023

Page 2

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Sincerely,

/s/ Earl E. DeBrine, Jr.

Earl E. DeBrine, Jr.
Attorney for Applicant

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Enclosure: as stated

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**STATE OF NEW MEXICO
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. 23210

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Page 2 of 4

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B. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico;

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Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: /s/ Earl E. DeBrine, Jr.

Earl E. DeBrine, Jr.

Deana M. Bennett

Bryce H. Smith

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Attorneys for Novo Oil & Gas Northern Delaware, LLC

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CASE NO. 23210 : Application of Novo Oil & Gas Northern Delaware, LLC for compulsory pooling, Eddy County, New Mexico. Novo Oil & Gas Northern Delaware, LLC seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The spacing unit will be dedicated to the **Tickety Boo Fed Com 2109 121H, Tickety Boo Fed Com 2109 122H, Tickety Boo Fed Com 2109 123H, Tickety Boo Fed Com 2109 131H, Tickety Boo Fed Com 2109 132H, and Tickety Boo Fed Com 2109 133H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the **Tickety Boo Fed Com 2109 122H** and the **Tickety Boo Fed Com 2109 132H** wells will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Novo as operator of the wells, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northwest of Carlsbad, New Mexico.

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Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005475701

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POBOX 2168

ALBUQUERQUE, NM 87103

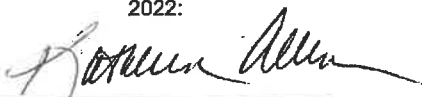
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

11/08/2022



Legal Clerk

Subscribed and sworn before me this November 8,
2022:



State of WI, County of Brown
NOTARY PUBLIC

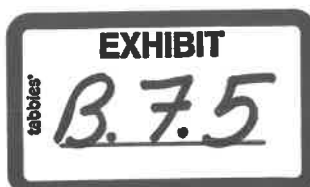


My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005475701
PO #: 5475701
of Affidavits 1

This is not an invoice



CASE NO. 23210: Notice to all affected parties, as well as their heirs and devisees, United States of America, BLM, Board of Regents of New Mexico Military Institute, Cathleen Ann Adams, Central Southwest Oil Corporation Pension Trust, c/o Susan Arrott, Central Southwest Oil Corporation Pension Trust, c/o Cathleen Ann Adams, COG Operating, LLC, Conquistador Council of Boy Scouts of America Trust Fund, EOG Resources, Inc., First Presbyterian Church Foundation, Jalapeno Corporation, Kansas University Endowment Association, Lazy J Bar Cane, LLC, Marbob Energy Corporation, c/o COG Operating, LLC, MCM Permian, LLC, MRC Delaware Resources LLC, Oxy Y-1 Company, Penasco Petroleum, LLC, PetroYates, Inc., Rolla R. Hinkle III, Sharbro Energy, LLC, Susan Arrott a.k.a. Susan Carol Arrott, University of New Mexico Law School, Yates Brothers, Yates Energy Corporation, ZPZ Delaware I, LLC, of Novo Oil & Gas Northern Delaware, LLC's Application for compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on December 1, 2022 to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/2 of Sections 9 and 16, and the N/2 NW/4 of Section 21, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The spacing unit will be dedicated to the Tickety Boo Fed Com 2109 121H, Tickety Boo Fed Com 2109 122H, Tickety Boo Fed Com 2109 123H, Tickety Boo Fed Com 2109 131H, Tickety Boo Fed Com 2109 132H, and Tickety Boo Fed Com 2109 133H wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the Tickety Boo Fed Com 2109 122H and the Tickety Boo Fed Com 2109 132H wells will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Novo as operator of the wells, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northwest of Carlsbad, New Mexico.

#5475701, Current Argus,
November 8, 2022

**STATE OF NEW MEXICO
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. 23210

SELF-AFFIRMED DECLARATION OF MICHAEL HALE

Michael Hale hereby states and declares as follows:

1. I am over the age of 18, I am a geologist for Novo Oil & Gas Northern Delaware LLC ("Novo"), and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division (the "Division") and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.
2. My area of responsibility at Novo includes Eddy County, New Mexico.
3. I am familiar with the application filed by Novo in this case.
4. **Exhibit C.1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef. Novo's Tickety Boo Fed Com 2109 unit is located approximately along the northernmost edge of the reef, extending predominantly into the backreef area of the Delaware Basin. Novo's wellbore design for these wells will include measures to protect groundwater supplies accordingly.
5. **Exhibit C.2** is a gun barrel plot showing the wells proposed in this case. The proposed spacing unit in this case is shown in a blue box on the development map at the bottom of Exhibit C.2.



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6. **Exhibit C.3** shows Novo's execution plan. The Tickety Boo Fed Com 2109 wells are the green dashed lines. Exhibit C.3 also shows producing wells in the surrounding area drilled in the same formations as those proposed in in this case.

7. **Exhibit C.4** is a structure map of the Second Bone Spring formation. The proposed spacing unit is identified by a blue box. The three proposed Second Bone Spring wells are identified by green dashed lines. The contour interval used in this exhibit is 40 feet. This exhibit shows that the structure dips gently to the east-southeast.

8. **Exhibit C.5** is structure map of the Third Bone Spring formation. The proposed spacing unit is identified by a blue box. The three proposed Third Bone Spring wells are identified by green dashed lines. The contour interval used in this exhibit is 40 feet. This exhibit shows that the structure dips gently to the east-southeast.

9. **Exhibit C.6** is a stratigraphic cross section hung at the top of the Third Bone Spring Carbonate. The well logs on the cross-section give a representative sample of the Bone Spring formation in the area. The target zones are identified by arrows and the label "Target." I have also identified the approximate location of the proposed wells within the wells I used for the cross-section. Exhibit C.6 also includes a cross section reference map that identifies three vertical reference wells in the vicinity of the proposed horizontal wells, shown by blue circles along a line of cross-section running from A to A'.

10. The Third Bone Spring interval thickness is consistent across the proposed Tickety Boo Fed Com 2109 unit. Minor thinning (~30-40 ft.) is observed from west to east. The Second Bone Spring, in my opinion, thins slightly to the north and east, but porosity is very consistent across the interval, specifically within the target sand.

11. I conclude from the geology study referenced above that:

- a. The horizontal spacing unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the proposed unit will contribute more or less equally to production.

12. The preferred well orientation in this area is either north/south or east/west. This is because the SHmax is at approximately N45E in this area of Eddy County. As shown on Exhibit C.3, there is roughly an equal number of N-S and E-W wells in this area.

13. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

14. In my opinion, the granting of Novo's application is in the interests of conservation and the prevention of waste.

15. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

[Signature page follows]

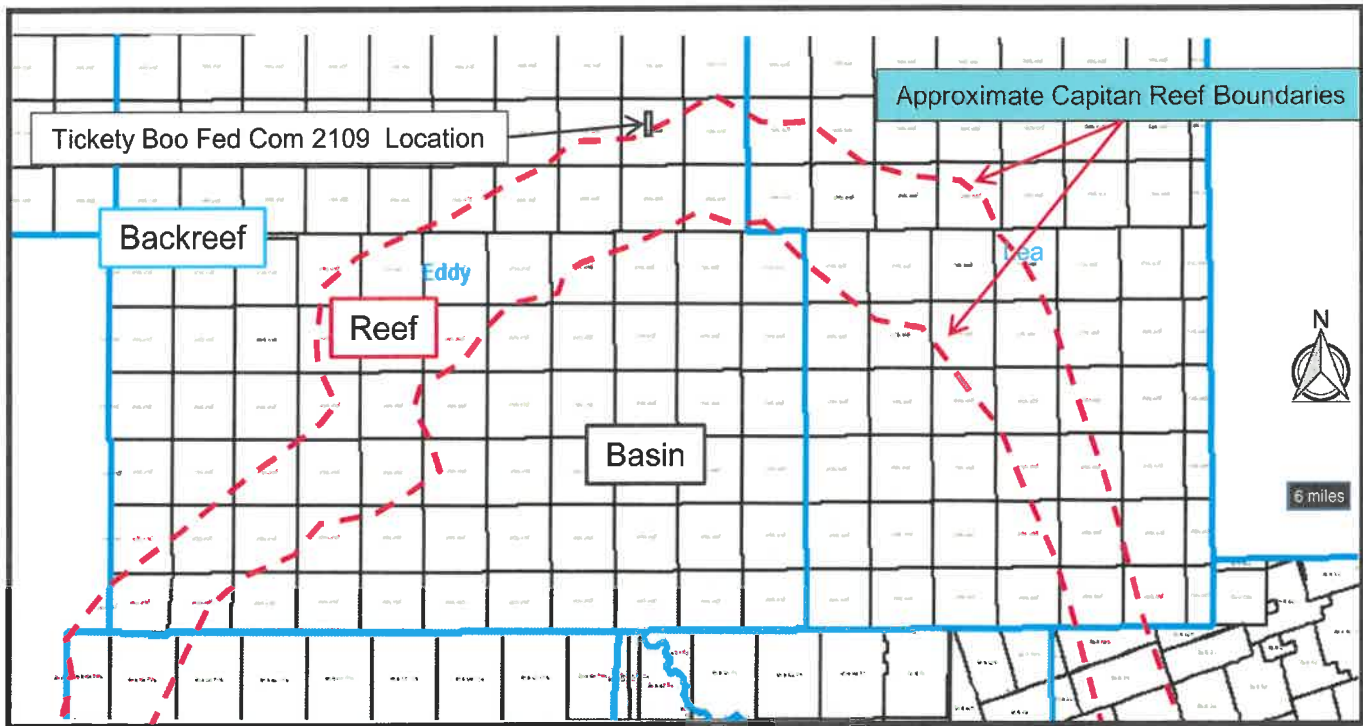
I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: January 17, 2023.


Michael Hale

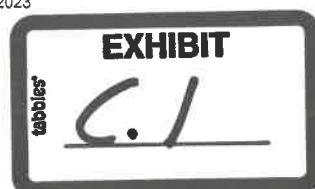


Tickety Boo Fed Com 2109 Locator Map



Novo's proposed Tickety Boo Fed Com 2109 pooling application lies on, or very near, the northernmost edge of the approximated Capitan Reef Outline.

Exhibit Created by: Michael E. Hale (NOVO VP- Exploration), January 11, 2023



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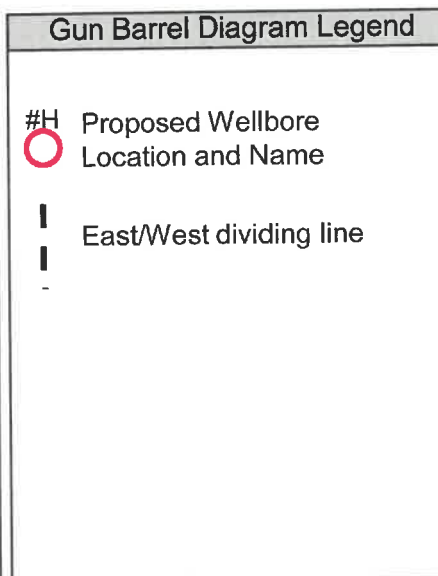
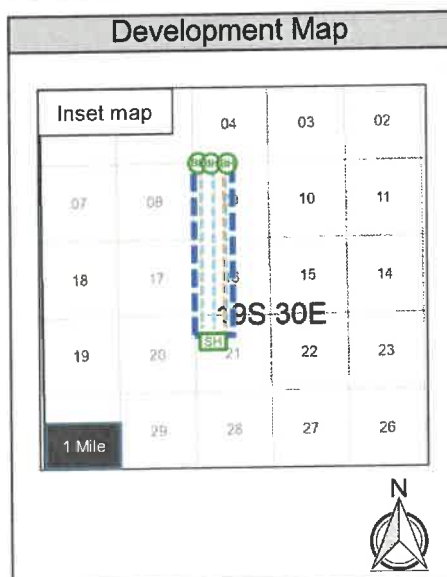
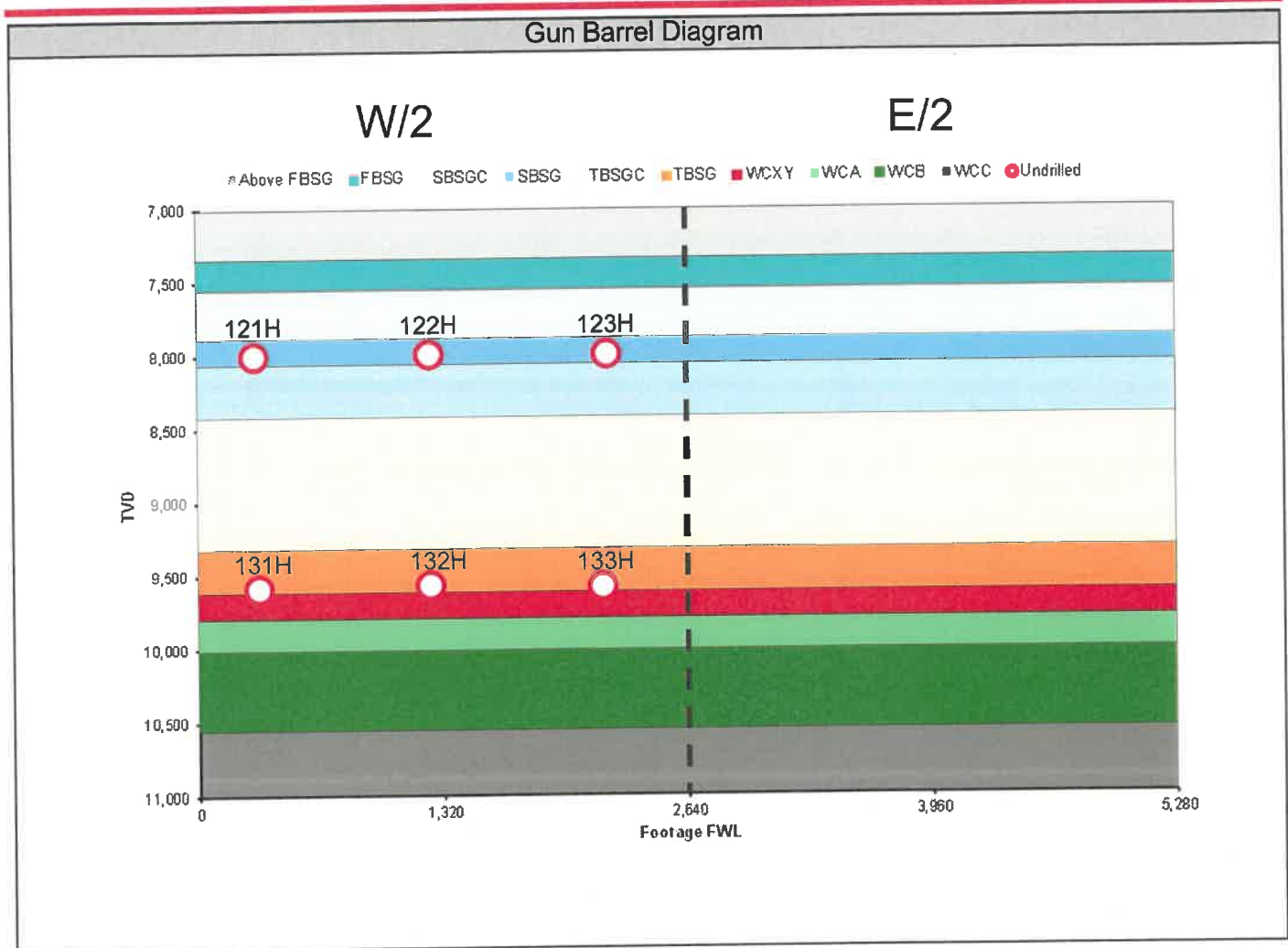
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Tickety Boo Fed Com 2109 Gun Barrel Plot (Full development)



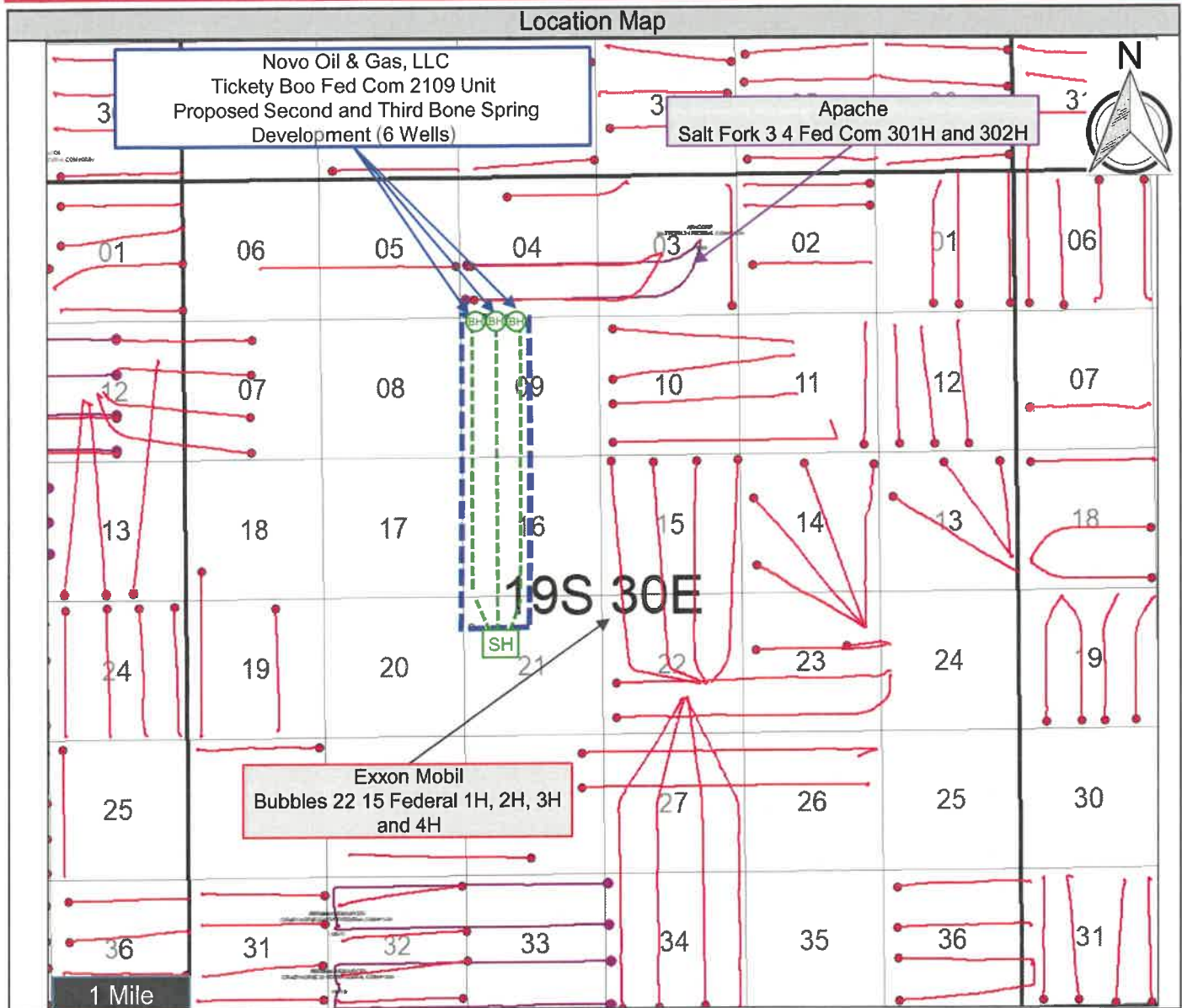
Hearing Details	
Novo Oil & Gas Northern Delaware, LLC	
Docket Number:	
Case Number:	
Date:	
Exhibit Number:	

A. Exhibit Created by: Michael E. Hale (NOVO VP- Exploration), January 10, 2023



Tickety Boo Fed Com 2109 Execution Plan

Proposed Second and Third Bone Spring Locations, Sections 21, 16 and 9,
23S-28E with Offsetting Producers



Map Legend



Surface Hole Location
Novo Proposed
Horizontal Locations



Bottom Hole Location



Spacing Unit (720 ac.)



Second Bone Spring Producer



Third Bone Spring Producer

Hearing Details

Novo Oil & Gas Northern
Delaware, LLC

Docket Number:

Case Number:

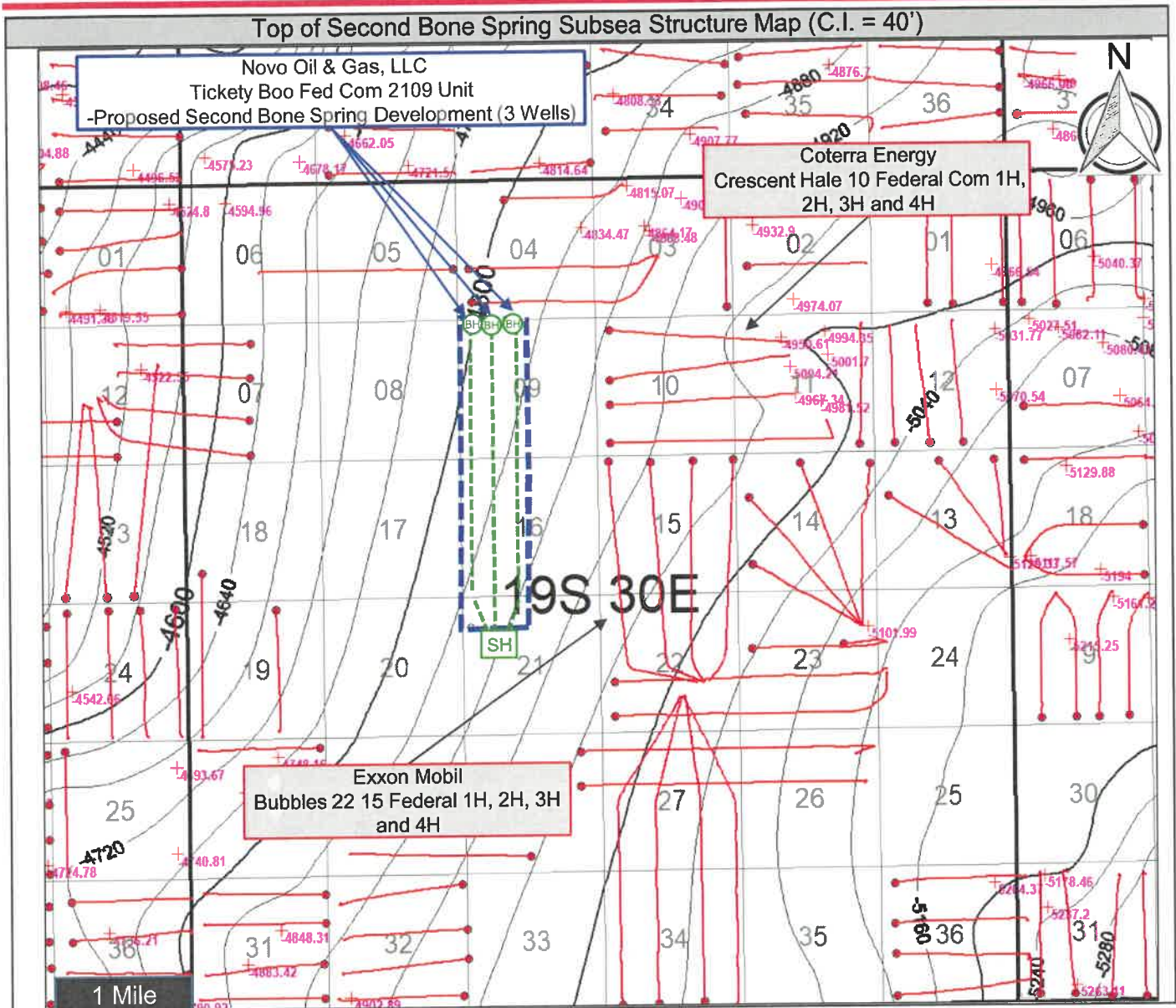
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Tickety Boo Fed Com 2109

Top of Second Bone Spring Structure Map

Proposed Second Bone Spring Locations, Sections 21, 16 and 9, 23S-28E



Map Legend		Hearing Details
Spacing Unit (720 ac.)	Second Bone Spring Producer	Novo Oil & Gas Northern Delaware, LLC
Surface Hole Location	Datum value	Docket Number:
Novo Horizontal Location	Top Second Bone Spring Subsea Structure	Case Number:
Bottom Hole Location	Contour line – interval 40'	Date:
		Exhibit Number:

A. Exhibit Created by: Michael E. Hale (NOVO VP- Exploration), November 15, 2022

EXHIBIT

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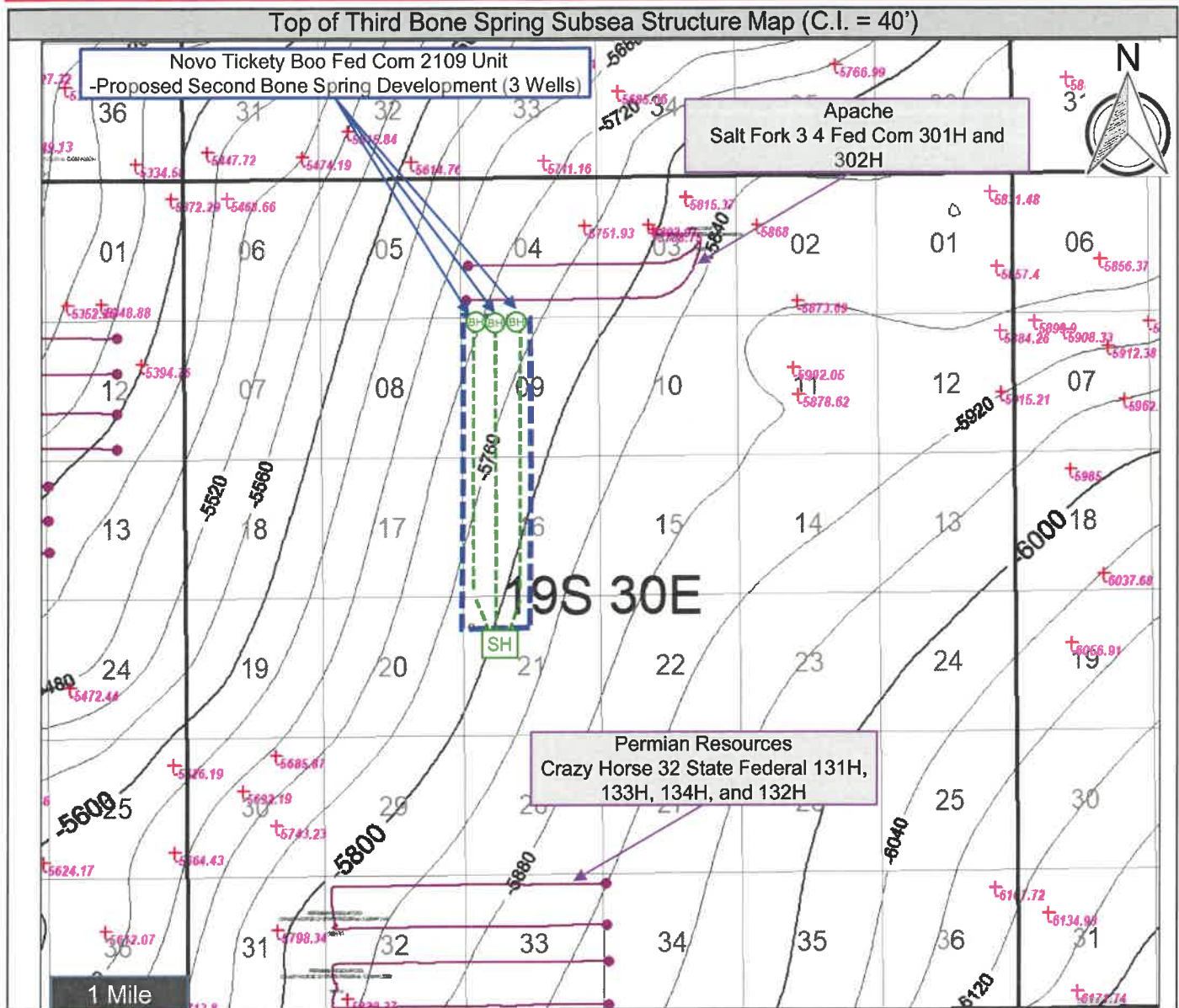
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Tickety Boo Fed Com 2109

Top of Third Bone Spring Structure Map

Proposed Third Bone Spring Locations, Sections 21, 16 and 9, 23S-28E



Map Legend



Spacing Unit (720 ac.)



Surface Hole Location



Novo Horizontal Location



Bottom Hole Location



Third Bone Spring Producer



Datum value



Top Third Bone Spring
Subsea Structure

Contour line - interval 40'

Hearing Details

Novo Oil & Gas Northern
Delaware, LLC

Docket Number:

Case Number:

Date:

Exhibit Number:

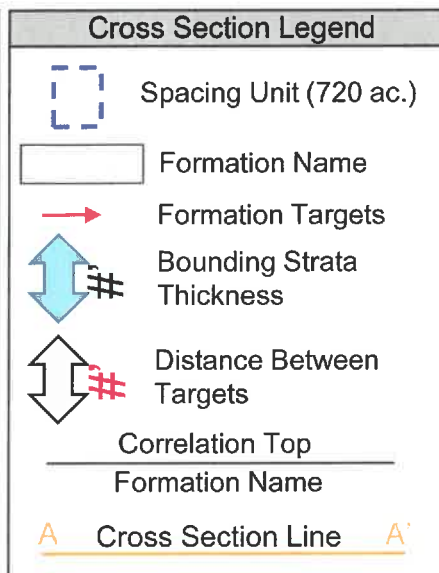
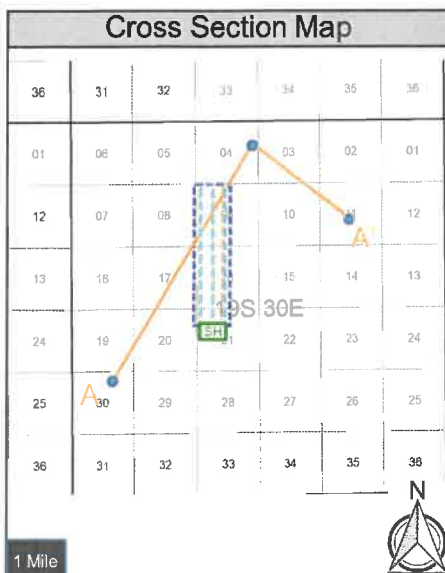
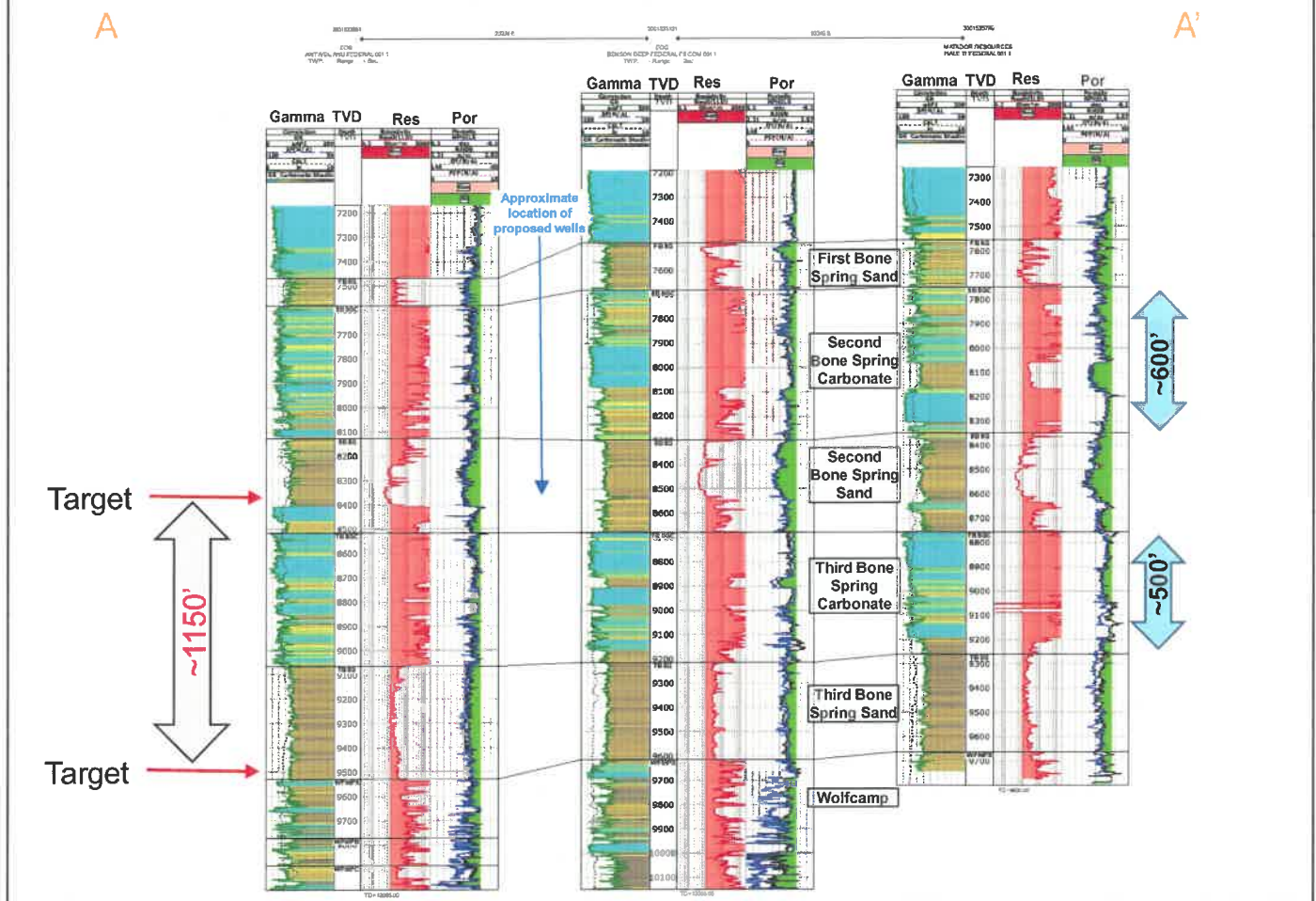
Tickety Boo Fed Com 2109

Bone Spring Stratigraphic Cross Section

Second and Third Bone Spring Proposed Locations, Sections 7-23S-28E



Bone Spring Stratigraphic Cross Section (Ft) – Top of Third Bone Spring Carbonate (TBSGC) Datum



Novo Oil & Gas Northern Delaware, LLC

Docket Number:

Case Number:

Date:

Exhibit Number:

A. Exhibit Created by: Michael E. Hale (NOVO VP- Exploration), November 15, 2022

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EXHIBIT

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