

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

**APPLICATION OF NOVO OIL & GAS NORTHERN  
DELAWARE, LLC, TO AMEND THE SPACING UNIT  
UNDER THE TERMS OF ORDER NO. R-21211,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 21976  
ORDER NO. R-21211-B**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on July 1, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. On April 9, 2020, OCD issued Order R-21211 to Novo Oil & Gas Northern Delaware, LLC (“Operator”), to pool the uncommitted oil and gas interests within the specified spacing unit (“Unit”).
2. R-21211 was amended by order R-21211-A, entered April 13, 2021, which extended the time to commence drilling and/or completing operations until April 9, 2022. Operator now seeks to further amend R-21211 by reducing the proposed well bores to one and a half miles each and the spacing unit to a standard 480 acres, more or less.
3. Operator provided evidence that it gave notice of the Application and the hearing to the previously unidentified interest owner.
4. Operator presented evidence through affidavits in support of the Application.
5. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Amending the length of the well bores and size of the spacing unit will not adversely affect the pooled interest owners.
11. The pooling of interest owners in the amended Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.

12. This Order affords the interest owners the opportunity to produce their just and equitable share of the oil or gas in the pool.

**ORDER**

13. The well bores and spacing unit are hereby amended to conform to the checklist appended as Exhibit "A" attached hereto.

14. Order R-21211 shall otherwise remain in full force and effect.

15. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

  
\_\_\_\_\_  
**ADRIENNE SANDOVAL**  
**DIRECTOR**  
AES/kms

**Date:** 7/08/2021

## Exhibit "A"

Received by OCD: 6/29/2021 5:54:21 PM

Page 9 of 103

<b>COMPULSORY POOLING APPLICATION CHECKLIST (pdf)</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 21976</b>	<b>APPLICANT'S RESPONSE</b>
Date: July 1, 2021	
Applicant	Novo Oil & Gas Northern Delaware, LLC
Designated Operator & OGRID (affiliation if applicable)	372920
Applicant's Counsel:	Holland & Hart, LLP
Case Title	APPLICATION OF NOVO OIL & GAS NORTHERN DELAWARE, LLC TO AMEND ORDER NOS. R-21211 & R-21211-A, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	None
Well Family	Saturninus wells
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp formation
Pool Names and Pool Codes:	Purple Sage-Wolfcamp Gas Pool [98220]
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	480-acres, more or less
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480-acres, more or less
Building Blocks:	quarter sections
Orientation:	North/South
Description: TRS/County	SW/4 of Section 10, and the W/2 of Section 15, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	<p><b>Saturninus Fed Com 1510 #211Hwell</b> (API No. 30-015; pending)</p> <p>SHL: 261 feet from the South line and 460 feet from the West line, (Unit M) of Section 15, Township 23 South, Range 29 East, NMPM.</p> <p>BHL: 2510 feet from the South line and 330 feet from the West line, (Unit L) of Section 10, Township 23 South, Range 29 East, NMPM.</p> <p>Completion Target: Wolfcamp Well Orientation: north/south Completion Location expected to be: standard</p>

Released to Imaging: 6/30/2021 8:07:32 AM

Well #2	<p><b>Saturninus Fed Com 1510 #212Hwell</b> (API No. 30-015-pending)                  SHL:252 feet from the South line and 499 feet from the West line, (Unit M) of Section 15, Township 23 South, Range 29 East, NMPM.                  BHL:2510 feet from the South line and 1122 feet from the West line, (Unit L) of Section 10, Township 23 South, Range 29 East, NMPM.</p> <p>Completion Target: Wolfcamp                  Well Orientation:north/south                  Completion Location expected to be:standard</p>
Well #3	<p><b>Saturninus Fed Com 1510 #215Hwell</b> (API No. 30-015-pending)                  SHL:238 feet from the South line and 557 feet from the West line, (Unit M) of Section 15, Township 23 South, Range 29 East, NMPM.                  BHL:2510 feet from the South line and 191.4 feet from the West line, (Unit K) of Section 10, Township 23 South, Range 29 East, NMPM.</p> <p>Completion Target: Wolfcamp                  Well Orientation:north/south                  Completion Location expected to be:standard</p>
Well #4	<p><b>Saturninus Fed Com 1510 #221Hwell</b> (API No. 30-015-pending)                  SHL:256 feet from the South line and 479 feet from the West line, (Unit M) of Section 15, Township 23 South, Range 29 East, NMPM.                  BHL:2510 feet from the South line and 726 feet from the West line, (Unit K) of Section 10, Township 23 South, Range 29 East, NMPM.</p> <p>Completion Target: Wolfcamp                  Well Orientation:north/south                  Completion Location expected to be:standard</p>
Well #5	<p><b>Saturninus Fed Com 1510 #222Hwell</b> (API No. 30-015-pending)                  SHL:247 feet from the South line and 518 feet from the West line, (Unit M) of Section 15, Township 23 South, Range 29 East, NMPM.                  BHL:2510 feet from the South line and 151.8 feet from the West line, (Unit K) of Section 10, Township 23 South, Range 29 East, NMPM.</p> <p>Completion Target: Wolfcamp                  Well Orientation:north/south                  Completion Location expected to be:standard</p>
Well #6	<p><b>Saturninus Fed Com 1510 #225Hwell</b> (API No. 30-015-pending)                  SHL:233 feet from the South line and 557 feet from the West line, (Unit M) of Section 15, Township 23 South, Range 29 East, NMPM.                  BHL:2510 feet from the South line and 2310 feet from the West line, (Unit K) of Section 10, Township 23 South, Range 29 East, NMPM.</p> <p>Completion Target: Wolfcamp                  Well Orientation:north/south                  Completion Location expected to be:standard</p>
Well #7	<p><b>Saturninus Fed Com 1510 #231Hwell</b> (API No. 30-015-pending)                  SHL:200 feet from the South line and 718 feet from the West line, (Unit M) of Section 15, Township 23 South, Range 29 East, NMPM.                  BHL:2510 feet from the South line and 330 feet from the West line, (Unit L) of Section 10, Township 23 South, Range 29 East, NMPM.</p> <p>Completion Target: Wolfcamp                  Well Orientation:north/south                  Completion Location expected to be:standard</p>
Well #8	<p><b>Saturninus Fed Com 1510 #232Hwell</b> (API No. 30-015-pending)                  SHL:191 feet from the South line and 757 feet from the West line, (Unit M) of Section 15, Township 23 South, Range 29 East, NMPM.                  BHL:2510 feet from the South line and 1122 feet from the West line, (Unit L) of Section 10, Township 23 South, Range 29 East, NMPM.</p> <p>Completion Target: Wolfcamp                  Well Orientation:north/south                  Completion Location expected to be:standard</p>
Well #9	<p><b>Saturninus Fed Com 1510 #235Hwell</b> (API No. 30-015-pending)                  SHL:182 feet from the South line and 796 feet from the West line, (Unit M) of Section 15, Township 23 South, Range 29 East, NMPM.                  BHL:2510 feet from the South line and 191.4 feet from the West line, (Unit K) of Section 10, Township 23 South, Range 29 East, NMPM.</p> <p>Completion Target: Wolfcamp                  Well Orientation:north/south                  Completion Location expected to be:standard</p>
Horizontal Well First and Last Take Points	Exhibit C-5

Completion Target (Formation, TVD and MD)	Exhibit C-5
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-4
Tract List (including lease numbers and owners)	Exhibit C-3
Pooled Parties (including ownership type)	Exhibit C-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
<b>Geology</b>	
Summary (including special considerations)	See Case No. 21038
Spacing Unit Schematic	See Case No. 21038
Gunbarrel/Lateral Trajectory Schematic	See Case No. 21038
Well Orientation (with rationale)	See Case No. 21038
Target Formation	See Case No. 21038
HSU Cross Section	See Case No. 21038
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4
General Location Map (including basin)	See Case No. 21038
Well Bore Location Map	See Case No. 21038
Structure Contour Map - Subsea Depth	See Case No. 21038
Cross Section Location Map (including wells)	See Case No. 21038
Cross Section (including Landing Zone)	See Case No. 21038
<b>Additional Information</b>	
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):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	