From: <u>Cory Walk</u>

To: McClure, Dean, EMNRD

Subject: Re: [EXT] Re: FW: off lease measure for the Rana Salada Fed Com 0605 Pad A facility

Date: Monday, April 6, 2020 1:19:01 PM

Yes, please remove the 121H, 131H, 132H, 212H, 221H, and 222H. I will file an amendment application when the remaining WC wells receive API numbers.

Thank you,

On Mon, Apr 6, 2020 at 12:48 PM McClure, Dean, EMNRD < Dean.McClure@state.nm.us > wrote:

Hello Cory,

I must have missed copying the admin checklist when you sent it. Thanks for resending it.

Provided that the wells to be added are the same as included in your current notification, you will not have to re notice, but you will need to submit an application to amend the order to add the wells later.

With this understanding, do you still wish to remove the 212H, 221H, and 222H in addition to the 121H, 131H, and 132H?

Dean McClure

Petroleum Specialist

New Mexico Energy, Minerals and Natural Resources Department

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(505) 476-3471

From: Cory Walk < cory@permitswest.com > Sent: Monday, April 6, 2020 11:40 AM

To: McClure, Dean, EMNRD < Dean.McClure@state.nm.us >

Subject: Re: [EXT] Re: FW: off lease measure for the Rana Salada Fed Com 0605 Pad A

facility

Hi Dean,

I sent you the admin checklist last week in an earlier email within this email chain. I'll attach it again to this email below.

If the approval of those other wells is holding up the approval of this application then I think lets just remove the 212H, 221H, and 222H from the application. Once they get approved I will email you the API numbers and you can add them to this application. Does that work?

On Mon, Apr 6, 2020 at 11:21 AM McClure, Dean, EMNRD < Dean. McClure@state.nm.us> wrote:

Hello Cory,

I will need an admin checklist filled out for this application.

Additionally, I will need API numbers assigned for the 212H, 221H, and 222H wells. If you let me know when the approved BLM APDs are submitted to the OCD, I can touch base with the District and see if the process can be expediated.

Dean McClure

Petroleum Specialist

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From: Cory Walk < cory@permitswest.com > Sent: Monday, April 6, 2020 11:06 AM

To: McClure, Dean, EMNRD < Dean. McClure@state.nm.us>

Subject: Re: [EXT] Re: FW: off lease measure for the Rana Salada Fed Com 0605 Pad A

facility

Hi Dean, Novo would like to remove the following Bone Spring wells from the Rana Salada Fed Com 0605 Pad A facility OLM application: Rana Salada Fed Com 0605 121H (API: 30-015-46076) Rana Salada Fed Com 0605 131H (API: pending) Rana Salada Fed Com 0605 132H (API: pending) Also, please see the attached communitization agreement as confirmation that the NMNM 140395 is for the Wolfcamp. Let me know if you need any additional information. Thank you, On Mon, Apr 6, 2020 at 10:56 AM McClure, Dean, EMNRD < <u>Dean.McClure@state.nm.us</u>> wrote: Hello Cory, Yes, I will need you to send me an email with a list of the wells you would like to remove from this application. I am guessing they will want to remove all the wells except the 211H and 231H. Additionally, I am presuming that NMNM 140395 is for the WC but would like confirmation. Dean McClure Petroleum Specialist

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From: Cory Walk < <u>cory@permitswest.com</u>>

Sent: Monday, April 6, 2020 9:47 AM

To: McClure, Dean, EMNRD < Dean. McClure@state.nm.us>

Subject: Re: [EXT] Re: FW: off lease measure for the Rana Salada Fed Com 0605 Pad

A facility

Good Morning Dean,

I just spoke with Novo (the well operator) and they informed me that they do not plan to drill the BS wells anytime soon. Is there a way for you to remove that well (121H) from the application? If/when Novo decides to drill the BS wells in the future, we will file a 'pool commingling' application. Let me know.

Thank you,

On Thu, Apr 2, 2020 at 1:41 PM McClure, Dean, EMNRD < Dean.McClure@state.nm.us> wrote:

Hello Cory,

An application can be submitted to amend an order to add additional wells. However, if a lease or pool is being added, the interest owners in that lease or pool will need to be notified regardless of if they had been notified in the original application. As such, infill wells are likely to be the only ones that will be able to be added without re notification. Typically, this will also require that the original application specifically states that new wells may be added with only notification to the interest owners in new production added. Having said that, I would say that if you are including the specific wells to be added in the original notification as done here, you can add those wells later because you had stated you are wishing to commingle those wells as well.

Is the intention to commingle the production from these wells? If so, these applications will need to be corrected to reflect pool/lease commingling and off-lease measurement and then re-noticed. If the intention is to not commingle the production from these wells and instead only off-lease measure, the applications will need to be split up into multiple off-lease measure applications so there is one for each pool within each lease. Note, that to keep the production isolated will mean that all vessels, tanks, lact units, etc. for each pool within each lease will need to be completely isolated from any vessel, tank, lact unit, etc. for any other pool or lease.

Dean McClure

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From: Cory Walk < cory@permitswest.com > Sent: Thursday, April 2, 2020 12:42 PM

To: McClure, Dean, EMNRD < Dean. McClure@state.nm.us>

Subject: [EXT] Re: FW: off lease measure for the Rana Salada Fed Com 0605 Pad A

facility

Hi Dean,

Yes, that is correct. 1 well in BS and 2 wells in WC.

The additional wells are still in review with the BLM so I'm not sure when those will get approved, hopefully within the next couple months. Would we need to submit a new application once those wells receive API #s or could I just email you the API #s at a later date and you can add them to this one?

Attached is the filled out admin checklist.

On Thu, Apr 2, 2020 at 12:15 PM McClure, Dean, EMNRD < Dean.McClure@state.nm.us> wrote:

Hello Mr. Wood,

Additionally, the OCD database has 1 of these wells in the BS and the other 2 wells in the WC. Is this correct?

Dean McClure

Petroleum Specialist

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From: McClure, Dean, EMNRD

Sent: Thursday, April 2, 2020 11:59 AM

To: cory@permitswest.com

Subject: off lease measure for the Rana Salada Fed Com 0605 Pad A facility

Hello Mr. Wood,

I am reviewing the off lease measurement application (OLM-190) for the Rana Salada Fed Com 0605 Pad A facility operated by Novo Oil and Gas Northern Delaware, LLC.

Please fill out an admin checklist for this application and email to me.

What is the current status of the 131H, 132H, 212H, 221H, and 222H? Until API

numbers are assigned to these wells, I will not be able to include them.

Dean McClure

Petroleum Specialist

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