

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

**APPLICATION OF NOVO OIL & GAS, LLC
FOR A NON-STANDARD SPACING AND PRORATION UNIT
AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.** **CASE NO. 16281**

**APPLICATION OF NOVO OIL & GAS, LLC
FOR A NON-STANDARD SPACING AND PRORATION UNIT
AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.** **CASE NO. 16282**

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**APPLICATION OF NOVO OIL & GAS, LLC
FOR A NON-STANDARD SPACING AND PRORATION UNIT
AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.** **CASE NO. 16286**

NOVO'S PRE-HEARING STATEMENT FOR JULY 12, 2018 HEARING

Novo Oil & Gas, LLC ("Novo"), submits this Pre-Hearing Statement for the above referenced cases pursuant to the rules of the Oil Conservation Division.

APPEARANCES

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STATEMENT OF CASES

In Case No. **16281** Novo seeks an order from Oil Conservation Division creating a 279.42-acre non-standard spacing unit and proration unit (project area) in the Bone Spring formation comprised of Lots 1 – 4 (N/2N/2) of Section 6 and Lots 2, 3 and 4 (N/2NW/4 and NW/4NE/4) of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 1 5 23S 29E 2B #1H well** which will be horizontally drilled from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NW/4NE/4 of Section 5, Township 23 South, Range 29 East.

In Case No. **16282** Novo seeks an order creating a 320-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2S/2 of Section 4 and S/2S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 6 4 23S 29E 3B #1H well** which will be horizontally drilled from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East.

In Case No. **16283** Novo seeks an order creating a 320-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2S/2 of Section 4 and N/2S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 6 4 23S 29E 3B #2H well** which will be horizontally drilled from a surface location in the NE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the NW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the NE/4SE/4 of Section 4, Township 23 South, Range 29 East.

In Case No. **16284** Novo seeks an order creating a 320.36-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the Lot 1 (NE/4NE/4), SE/4NE/4 and E/2SE/4 of Section 5 and E/2E/2 of Section 8, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 5 8 23S 29E 2B #1H well** which will be horizontally drilled from a surface location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 8, Township 23 South, Range 29 East.

In Case No. **16285** Novo seeks an order creating a 636.30-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the N/2 of Section 5 and N/2 of Section 6, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 1 5 WB 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East, and the **Rana Salada Fed Com 1 5 WXY 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East.

In Case No. **16286** Novo seeks an order creating a 640-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the S/2 of Section 4 and S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's **Rana Salada Fed Com 6 4 WB 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East, and the **Rana Salada Fed Com 6 4 WXY 1H well** which will be horizontally drilled to test the Wolfcamp formation from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East.

Under the current rules of the Division all of the proposed spacing and proration units are standard horizontal spacing and proration units. The completed intervals for all of the proposed wells will be orthodox.

PROPOSED EVIDENCE

Novo Oil & Gas, LLC

WITNESS	ESTIMATED TIME	EXHIBITS
Brandon Patrick Land	Approx. 30 minutes	8
Grant Sha Geologist	Approx. 10 minutes	3
Zach Everman Reservoir Engineer	Approx. 10 minutes	1
Kurt Shipley	Approx. 20 minutes	4

Marathon

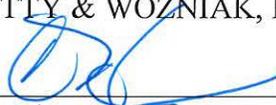
WITNESS	ESTIMATED TIME	EXHIBITS
TBD	Approx. 20 minutes	TBD

BTA Oil Producers

Unknown

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: 

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ATTORNEYS FOR NOVO OIL & GAS, LLC

CERTIFICATE OF SERVICE

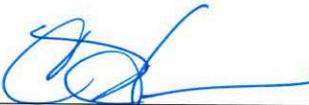
I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on July 5, 2018.

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