

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

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

CASE NOS. 20691 & 20692

NOVO'S CONSOLIDATED PRE-HEARING STATEMENT

Novo Oil & Gas Northern Delaware, LLC ("Novo") (OGRID No. 372920), the applicant in the above-referenced cases, submits this Consolidated Pre-Hearing Statement, pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

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ATTORNEY

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APPLICANT'S STATEMENT OF CASE

In Case No. 20691, Novo seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 4, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Novo seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells:

- The **Goonch Fed Com 04 #131H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 4 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 4.
- The **Goonch Fed Com 04 #132H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 4 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 4.
- The **Goonch Fed Com 04 #135H Well** to be horizontally drilled from a surface location in the NW/4 NE/4 (Lot 2) of Section 4 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 4.

The completed for the **Goonch Fed Com 04 #132H Well** will remain within 330 feet of the E/2 W/2 of Section 4 to allow inclusion of these proximity tracts in a standard 320-acre horizontal well spacing comprised of the W/2 of Section 4.

In Case No. 20692, Novo seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 4 and 9, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Novo seeks to dedicate the above-referenced horizontal spacing unit the following proposed initial wells:

- The **Goonch Fed Com 0409 #133H Well** to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 33, T22S, R28E, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 9.
- The **Goonch Fed Com 0409 #134H Well** to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 33, T22S, R28E, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 9.
- The **Goonch Fed Com 0409 #136H Well** to be horizontally drilled from a surface location in the NW/4 NE/4 (Lot 2) of Section 4, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 9.

The completed interval for the Goonch Fed Com 0409 #133H Well will remain within 330 feet of the E/2 E/2 of Sections 4 and 9 to allow inclusion of these proximity tracts in a standard 640-acre horizontal well spacing comprised of the E/2 of Sections 4 and 9.

APPLICANT'S PROPOSED EVIDENCE


WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Brandon Patrick, Landman	Approx. 15	Approx. 8
Michael Hale, Geologist	Approx. 10	Approx. 4

PROCEDURAL MATTERS

Novo intends to present these cases by affidavit, if unopposed at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP



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