

**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 NO. 20698

**APPLICATION**

Novo Oil & Gas Northern Delaware, LLC (“Novo” or “Applicant”) (OGRID No. 372920), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the S/2 NW/4 of Section 5 and the S/2 N/2 of Section 6, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its application, Novo states:

1. Novo is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed **Rana Salada Fed Com 0605 #125H Well** to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 1, T23S, R28E, to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 5.
3. The completed for the **Rana Salada Fed Com 0605 #125H Well** will remain within standard setbacks for oil wells as required by the statewide rules.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all mineral interest owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of this proposed horizontal well and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 8, 2019, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial well thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping and completing the well;
- D. 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
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

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**ATTORNEYS FOR NOVO OIL & GAS NORTHERN  
DELAWARE LLC**

CASE \_\_\_\_\_:

**Application of Novo Oil & Gas Northern Delaware LLC for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the S/2 NW/4 of Section 5 and the S/2 N/2 of Section 6, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. Said horizontal spacing unit will be dedicated to the proposed **Rana Salada Fed Com 0605 #125H Well** to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 1, T23S, R28E, to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 5. The completed for the well will comply with standard setbacks under the statewide rules for oil wells. Also, to be considered will be the cost of drilling and completing the well, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well, and the imposition of a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 6 miles east of Loving, New Mexico.