

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

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

CASE NO. 20184

**APPLICATION**

Novo Oil and Gas Northern Delaware, LLC (“Novo”) 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 Wolfcamp formation (Purple Sage Wolfcamp Gas Pool (98220)) in the 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. In support of its application, Novo states:

1. Novo Oil and Gas Northern Delaware, LLC (OGRID No. 372920) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Novo proposes to dedicate the above-referenced spacing unit to its **Goonch Fed Com 04 No. 211H Well**, which will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) to a standard bottom hole location in in the NW/4NW/4 (Unit D) of Section 4.
3. The completed interval for this well will remain within the standard offset required by the Special Rules set forth in Order No. R-14262.
5. Novo has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.

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

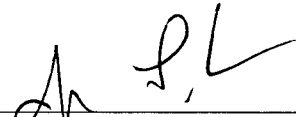
7. In order to permit Novo to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Novo Oil and Gas Northern Delaware, LLC should be designated the operator of this unit.

WHEREFORE, Novo requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 10, 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;
- B. Designating Novo Oil and Gas Northern Delaware, LLC operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Novo 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% penalty for the risk assumed by Novo in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR NOVO OIL AND GAS NORTHERN  
DELAWARE, LLC**

**CASE NO. \_\_\_\_\_: Application of Novo Oil and 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 Wolfcamp formation (Purple Sage Wolfcamp Gas Pool (98220)) in the 320-acre, more or less, spacing and proration unit comprised of the W/2 of Section 4, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Said unit is to be dedicated to the applicant's proposed **Goonch Fed Com 04 No. 211H Well**, which will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) to a standard bottom hole location in in the NW/4NW/4 (Unit D) of Section 4. The completed interval for this well will remain within the offset required by the Special Rules set forth in Order No. R-14262. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Novo Oil and Gas Northern Delaware, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 9 miles southeast of Carlsbad, New Mexico.