

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

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

CASE NO. 16284

AFFIDAVIT OF BRANDON PATRICK

Brandon Patrick of lawful age and being first duly sworn declares as follows:

1. My name is Brandon Patrick. I work for Novo Oil & Gas Northern Delaware, LLC ("Novo") as a Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Novo in this matter and I am familiar with the status of the lands involved in this case.
4. None of the pooled parties named in this application have indicated opposition, therefor opposition at hearing is not anticipated.
5. The application in this case was amended in accord with the agreement reached between Novo and BTA Oil Producers to limit the spacing unit to the E/2E/2 of Section 5.

6. **Exhibit No. 1** is a Form C-102 for the proposed well. The proposed standard horizontal spacing and proration unit encompassing 160.36 acres is reflected as a red outline on the C-102. The **Rana Salada Fed Com 05 124H Well** will be drilled within the Cedar Canyon; Bone Spring, (Pool Code 11520). The northern-most take-point and the southern-most take-point of the completed interval will be orthodox.

7. **Exhibit No. 2** includes a copy of the well proposal letter Novo sent to the other working interest owner within the proposed 160.36-acre spacing unit, together with a copy of the Authority for Expenditure (AFE) included with the well proposal letter.

8. There are no existing depth severances in the Bone Spring formation (Cedar Canyon; Bone Spring, Pool Code 11520) underlying Lot 1 (NE/4NE/4), SE/4NE/4, and E/2SE/4 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico.

9. **Exhibit No. 3** is a plat and diagram describing the Bone Spring Execution Plan for the wells proposed in Case Nos. 16282, 16283 and 16284. This plat reflects that the stand-up spacing unit for the **Rana Salada Fed Com 05 124H Well** in the E/2E/2 of Section 5 to be drilled in the 2nd Bone Spring Sand interval under this application intersects the proposed lay-down spacing units for the **Rana Salada Fed Com 0504 133H and 134H wells** to be drilled in the 3rd Bone Spring Sand interval in the S/2 of Sections 4 and 5.

10. Although there are no depth severance limitations in the proposed spacing unit in this application, Novo is seeking to pool only the 2nd Bone Spring Sand interval within the Bone Spring formation because the 3rd Bone Spring interval will be developed by the **Rana Salada Fed Com 0504 134H and 133H wells** proposed in Case Nos. 16282 and 16283, respectively.

11. **Exhibit No. 4** is a description of the depth severance proposed for this case.
12. The testimony being offered today by Novo's geologist and completions engineer will explain why no communication is expected between the 1st, 2nd Bone Spring Sand intervals nor between the 2nd and 3rd Bone Spring Sand intervals within these proposed horizontal spacing units.
13. The landing zone of any infill well within this spacing unit will not be closer to the depth severance footage without approval by the Division on Novo's application for same and after notice and opportunity to be heard.
14. Case Nos. 16282, 16283 and 16284 all request that Novo Oil & Gas Northern Delaware, LLC be designated as the operator of the wells and spacing units proposed.
15. **Exhibit No. 5** is a plat outlining the proposed standard horizontal spacing unit and mineral ownership as of July 18, 2018 when Novo filed its amended application. This exhibit shows the interest owners and the percentage of their interest in each tract as well as a unit recapitulation showing the percentage of each interest owner in the spacing unit. The basis of this ownership is both a title opinion and an updated title report.
16. A diligent search was made of the public records in the county where the lands within the spacing unit are located, as well as internet searches, to obtain accurate mailing addresses for the mineral interest owners to be noticed.
17. Novo made a good faith effort to obtain the voluntary joinder of the other working interest owner in the proposed unit and well.
18. The parties to be pooled are identified in **Exhibit 6**.

19. The proposed spacing and proration unit includes federal and fee lands and lays within the Potash Area.

20. Novo has estimated well costs of \$6,797,000, as reflected in the Authority for Expenditure (AFE) which was attached to its proposal letters. The estimated cost of the well set forth therein is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico and is fair and reasonable.

21. Novo requests overhead and administrative rates for drilling and producing the proposed well at \$8,000 per month while drilling and \$800 per month while producing. These rates are fair and are consistent with what other operators are charging in this area for similar type wells. Novo requests these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

22. Novo requests authority to recover its costs of drilling, equipping and completing this well, and imposition of a 200% penalty for the risk assumed by Novo in drilling and completing this well against any working interest owner who does not voluntarily participate in the drilling of the well.

23. The Exhibits attached to this Affidavit were either prepared by me or compiled under my direction and supervision.

24. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

25. The granting of this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

FURTHER AFFIANT SAYETH NOT

Brandon Patrick

BRANDON PATRICK

STATE OF OKLAHOMA)

COUNTY OF OKLAHOMA)

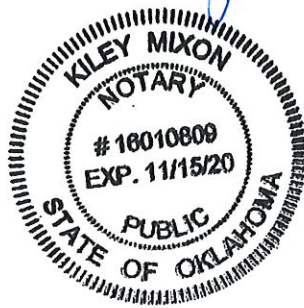
SUBSCRIBED and SWORN to before me this 19th day of February 2019 by Brandon Patrick.

Kiley Mixon

NOTARY PUBLIC

My Commission Expires:

11/15/20



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
111 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name RANA SALADA FED COM 05	⁶ Well Number 124H
⁷ OGRID No. 372920	⁸ Operator Name NOVO OIL AND GAS NORTHERN DELAWARE, LLC	⁹ Elevation 3017.0

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	5	23 S	29 E		485	NORTH	1206	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/ West line	County
P	5	23 S	29 E		20	SOUTH	100	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>N89°58'23"E 2641.56 FT</p> <p>NW CORNER SEC. 5 LAT. = 32.3417741°N LONG. = 104.0153768°W</p> <p>NMSP EAST (FT) N = 488215.14 E = 639533.08</p> <p>LOT 4</p> <p>W/4 CORNER SEC. 5 LAT. = 32.3343323°N LONG. = 104.0155256°W</p> <p>NMSP EAST (FT) N = 485507.76 E = 639495.15</p> <p>SW CORNER SEC. 5 LAT. = 32.3269490°N LONG. = 104.0156765°W</p> <p>NMSP EAST (FT) N = 482821.66 E = 639456.52</p> <p>S89°07'22"W 2639.76 FT</p>		<p>S89°55'57"E 2642.41 FT</p> <p>LOT 3 FTP - 100' FNL, 100' FEL GRID DIST. = 1174.99 FT GRID BEARING = N70°56'16"E</p> <p>N/4 CORNER SEC. 5 LAT. = 32.3417556°N LONG. = 104.0068255°W</p> <p>NMSP EAST (FT) N = 488216.38 E = 642174.05</p> <p>RANA SALADA FED COM 05 124H ELEV. = 3017.0' LAT. = 32.3404060°N (NAD83) LONG. = 104.0021986°W</p> <p>NMSP EAST (FT) N = 487729.80 E = 643604.50</p> <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE. ELEVATION VALUES ARE NAVD88.</p> <p>BOTTOM OF HOLE LAT. = 32.3271347°N LONG. = 103.9988504°W</p> <p>NMSP EAST (FT) N = 482905.03 E = 644653.63</p> <p>S/4 CORNER SEC. 5 LAT. = 32.3270383°N LONG. = 104.0071330°W</p> <p>NMSP EAST (FT) N = 482862.06 E = 642095.38</p> <p>S89°29'08"W 2658.70 FT</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>AUGUST 2, 2018</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor FILMON F. JARAMILLO Certificate Number FILMON F. JARAMILLO, PLS 12797 SURVEY NO. 6300A</p>	
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APPLICATION OF NOVO OIL & GAS
NORTHERN DELAWARE, LLC Case No. 16284
PATRICK EXHIBIT #1

Intent ☐ As Drilled ☐

API #			
Operator Name: NOVO OIL & GAS NORTHERN DELAWARE, LLC		Property Name: RANA SALADA FED COM 05	Well Number 124H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
A	5	23S	29E	1	100	NORTH	100	EAST	EDDY
Latitude 32.3414511					Longitude 103.9985997				NAD 83

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
P	5	23S	29E		100	SOUTH	100	EAST	EDDY
Latitude 32.3273546					Longitude 103.9988466				NAD 83

Is this well the defining well for the Horizontal Spacing Unit? ☐

Is this well an infill well? ☐

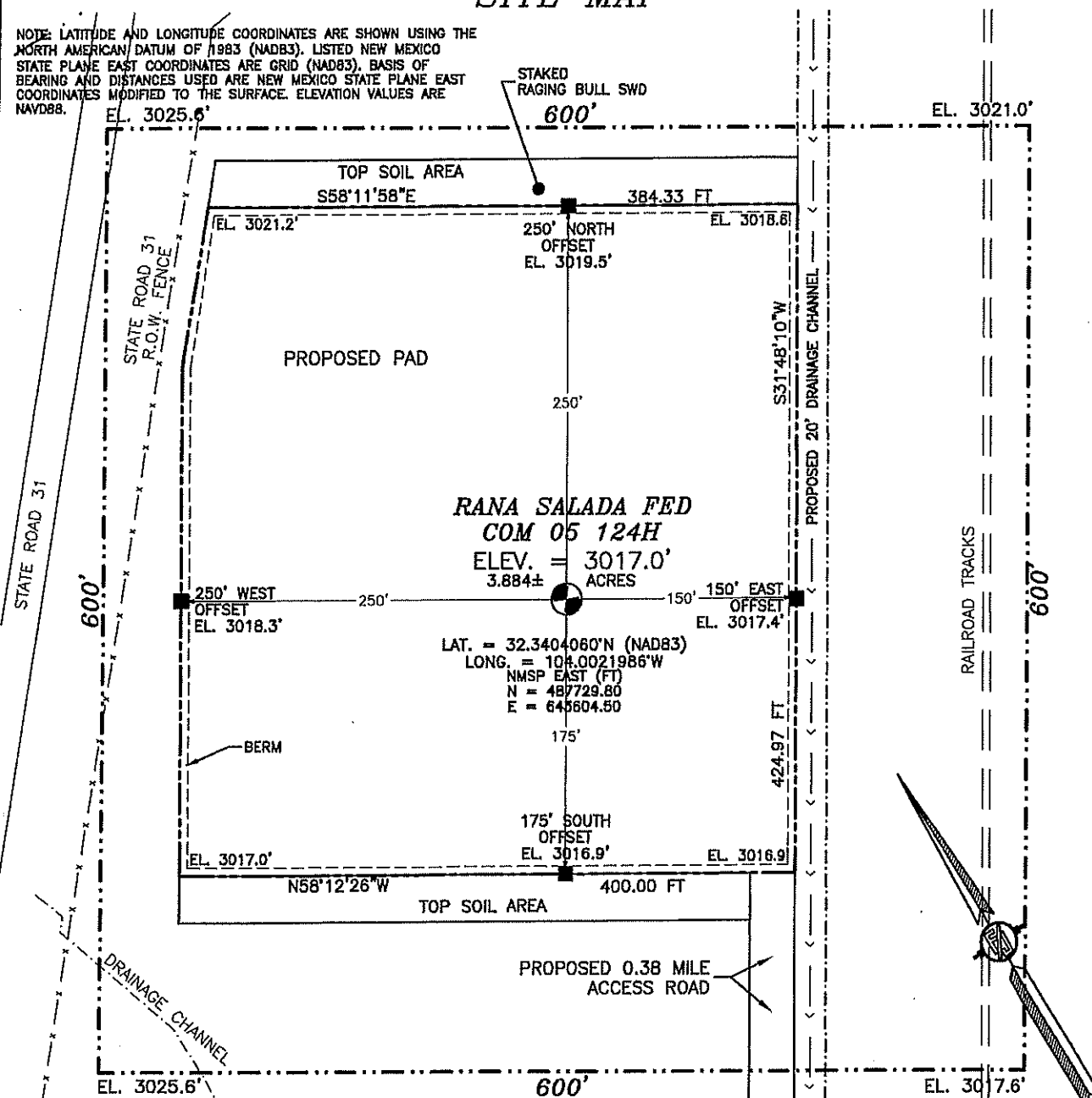
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #			
Operator Name:		Property Name:	Well Number

KZ 06/29/2018

**SECTION 5, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
SITE MAP**

NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE. ELEVATION VALUES ARE NAVD88.



010 50 100 200

SCALE 1" = 100'

DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF STATE ROAD 128 (JAL HIGHWAY) & STATE ROAD 31 (POTASH MINES ROAD) GO SOUTH-SOUTHWEST ON STATE RD. 31 APPROX. 0.5 MILE TO A CALICHE ROAD ON LEFT (SOUTHEAST), TURN LEFT ON CALICHE ROAD AND GO EAST-SOUTHEAST APPROX. 0.15 MILE TO A ROAD SURVEY ON LEFT, FOLLOW ROAD SURVEY NORTH-NORTHEAST APPROX. 0.38 MILE TO THE SOUTHEAST PAD CORNER FOR THIS LOCATION.

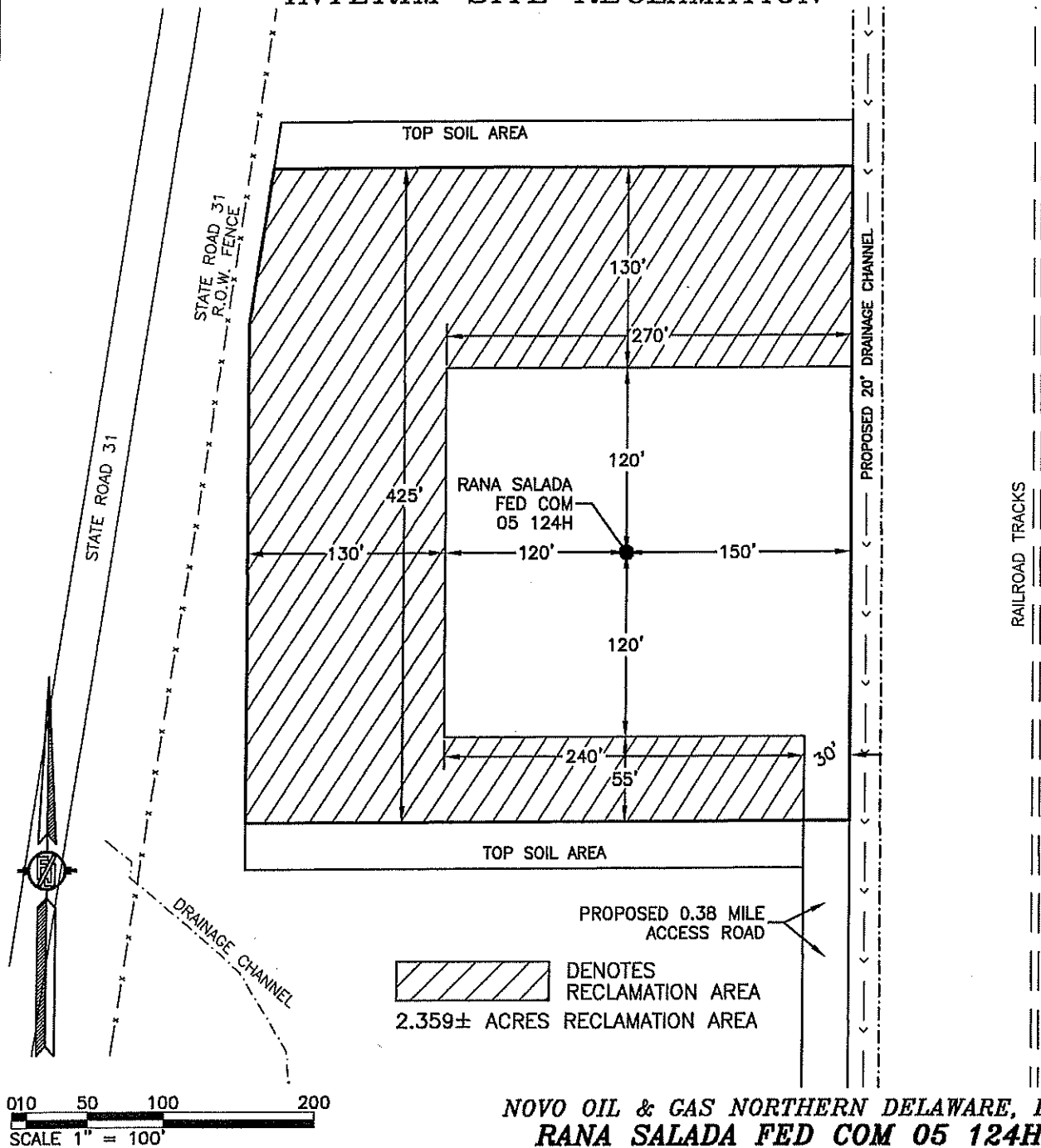
**NOVO OIL & GAS NORTHERN DELAWARE, LLC
RANA SALADA FED COM 05 124H
LOCATED 485 FT. FROM THE NORTH LINE
AND 1206 FT. FROM THE EAST LINE OF
SECTION 5, TOWNSHIP 23 SOUTH,
RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO**

AUGUST 2, 2018

SURVEY NO. 6300A

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 **CARLSBAD, NEW MEXICO**

SECTION 5, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
INTERIM SITE RECLAMATION



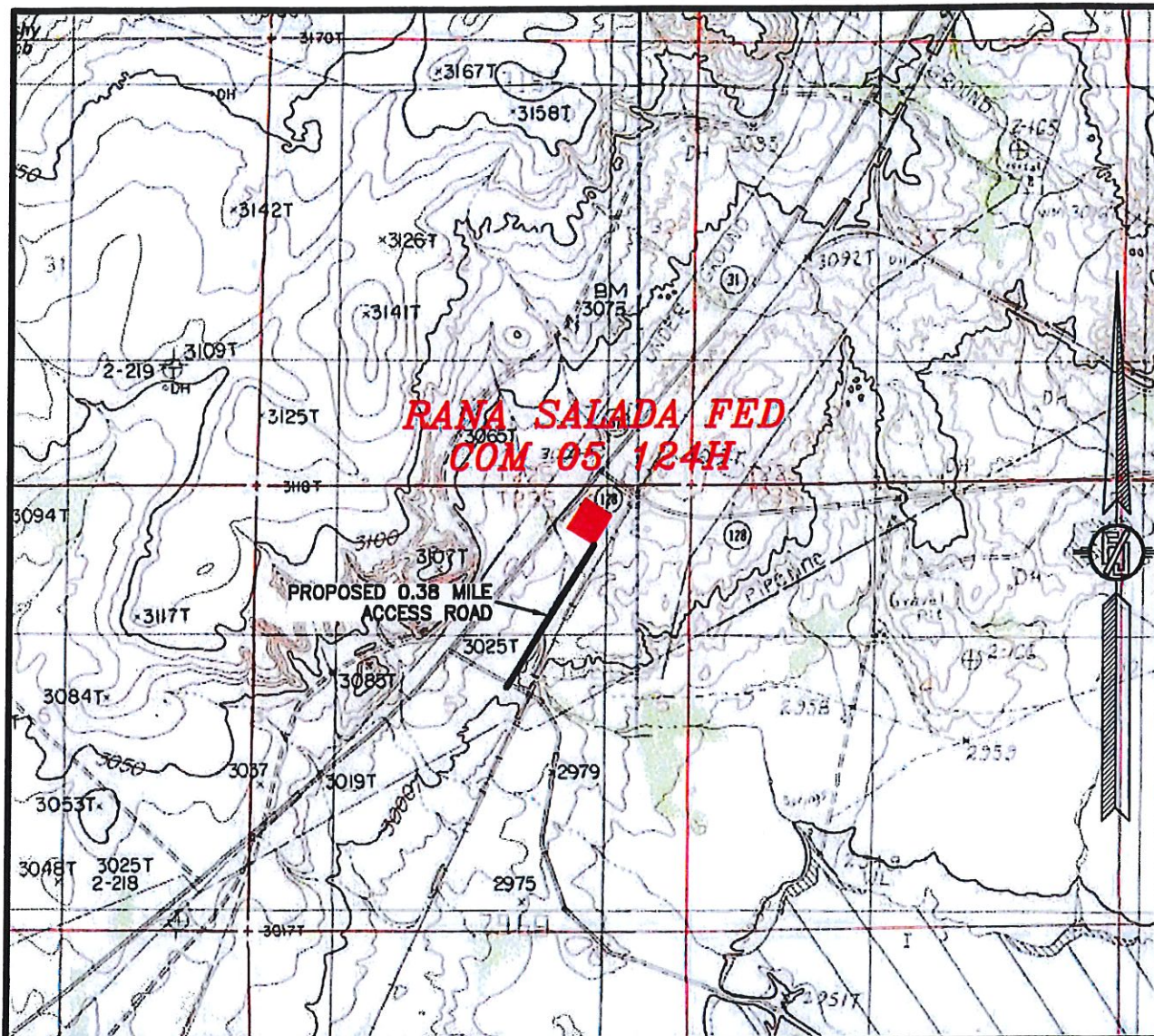
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EDDY COUNTY, STATE OF NEW MEXICO

AUGUST 2, 2018

SURVEY NO. 6300A

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SECTION 5, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
LOCATION VERIFICATION MAP



USGS QUAD MAP:
LOVING

NOT TO SCALE

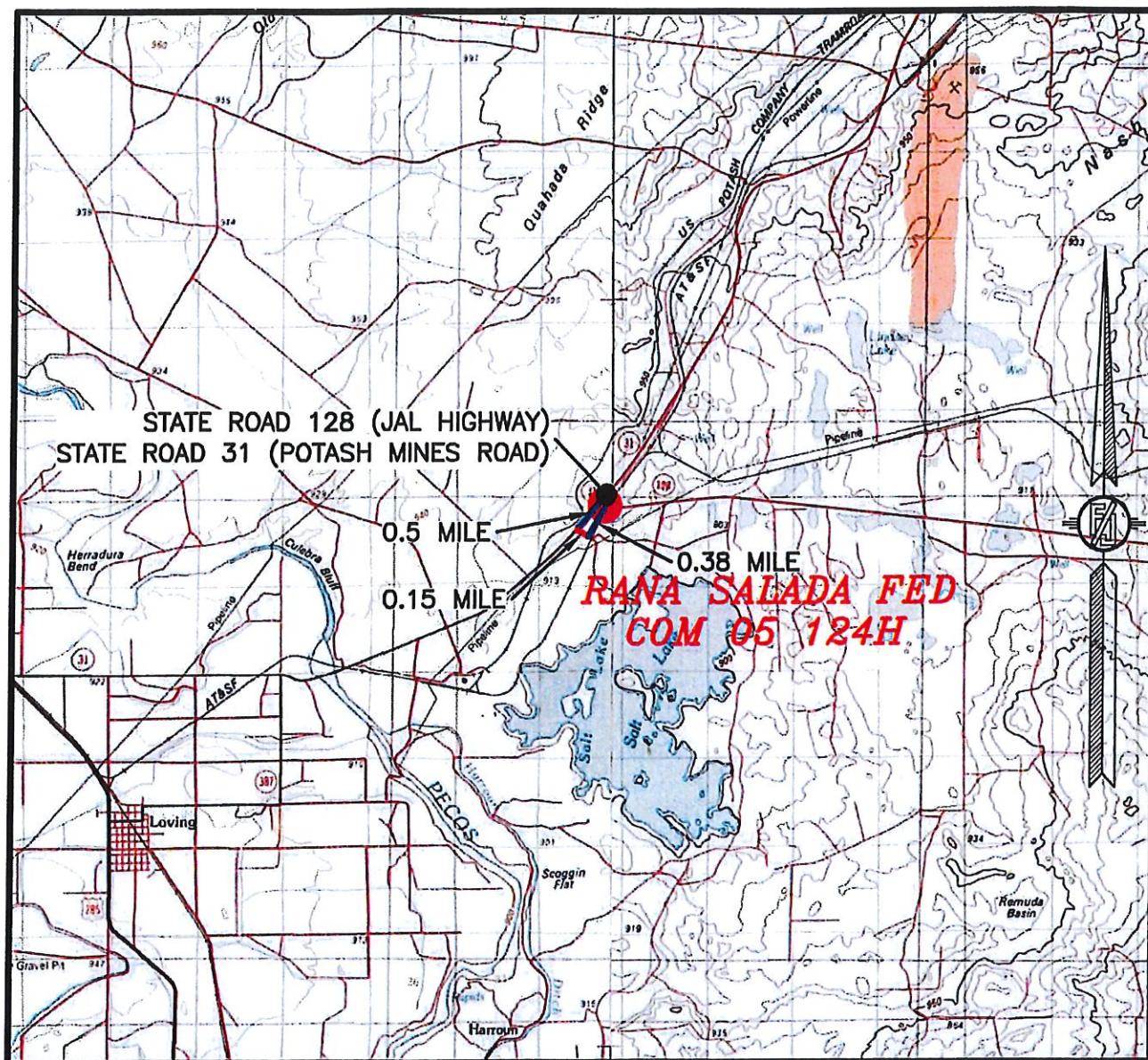
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RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

AUGUST 2, 2018

SURVEY NO. 6300A

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SECTION 5, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
VICINITY MAP



DISTANCES IN MILES

NOT TO SCALE

DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF STATE ROAD 128 (JAL HIGHWAY) & STATE ROAD 31 (POTASH MINES ROAD) GO SOUTH-SOUTHWEST ON STATE RD. 31 APPROX. 0.5 MILE TO A CALICHE ROAD ON LEFT (SOUTHEAST), TURN LEFT ON CALICHE ROAD AND GO EAST-SOUTHEAST APPROX. 0.15 MILE TO A ROAD SURVEY ON LEFT, FOLLOW ROAD SURVEY NORTH-NORTHEAST APPROX. 0.38 MILE TO THE SOUTHEAST PAD CORNER FOR THIS LOCATION.

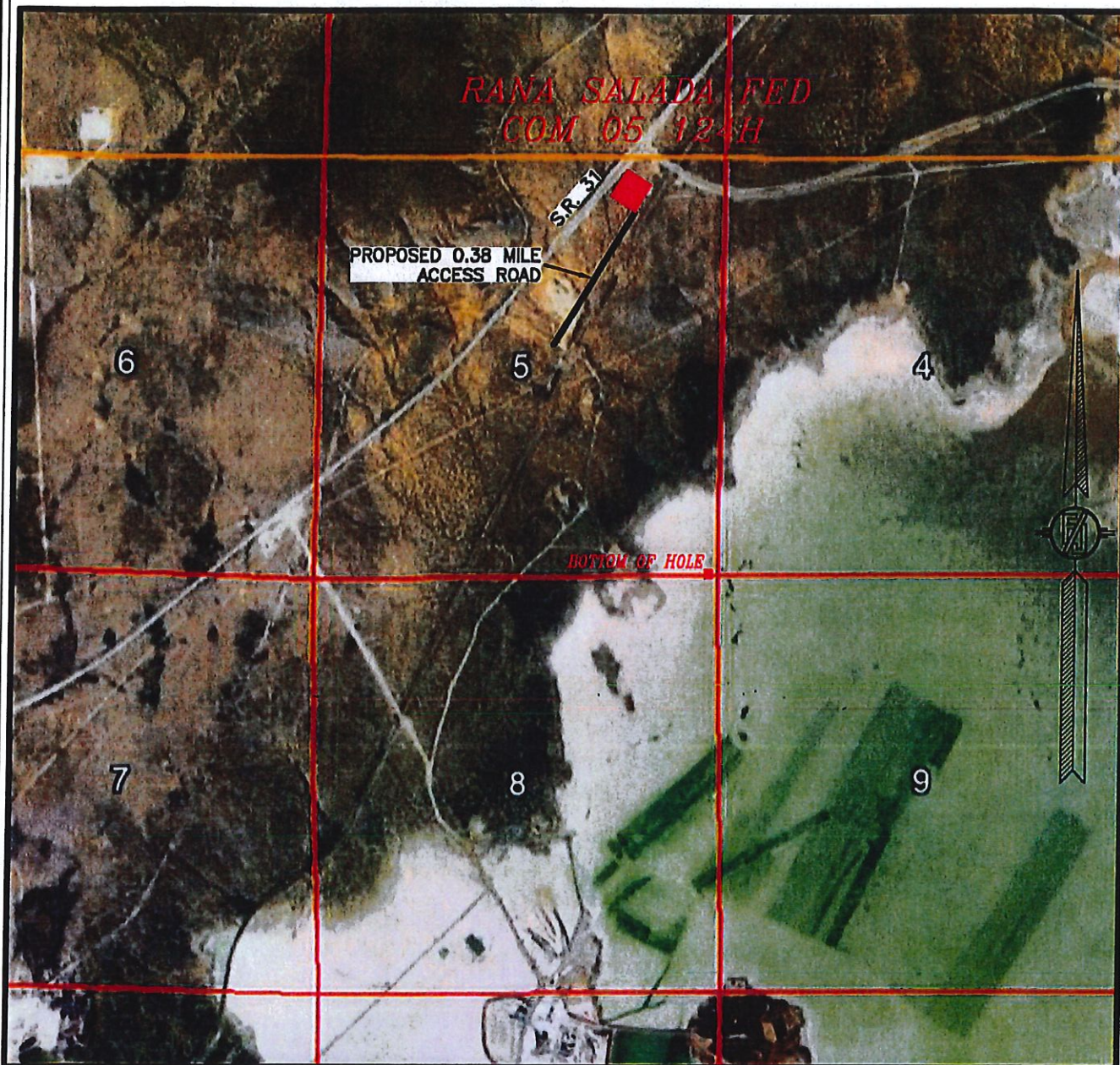
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RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

AUGUST 2, 2018

SURVEY NO. 6300A

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SECTION 5, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
AERIAL PHOTO



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
NOV. 2017

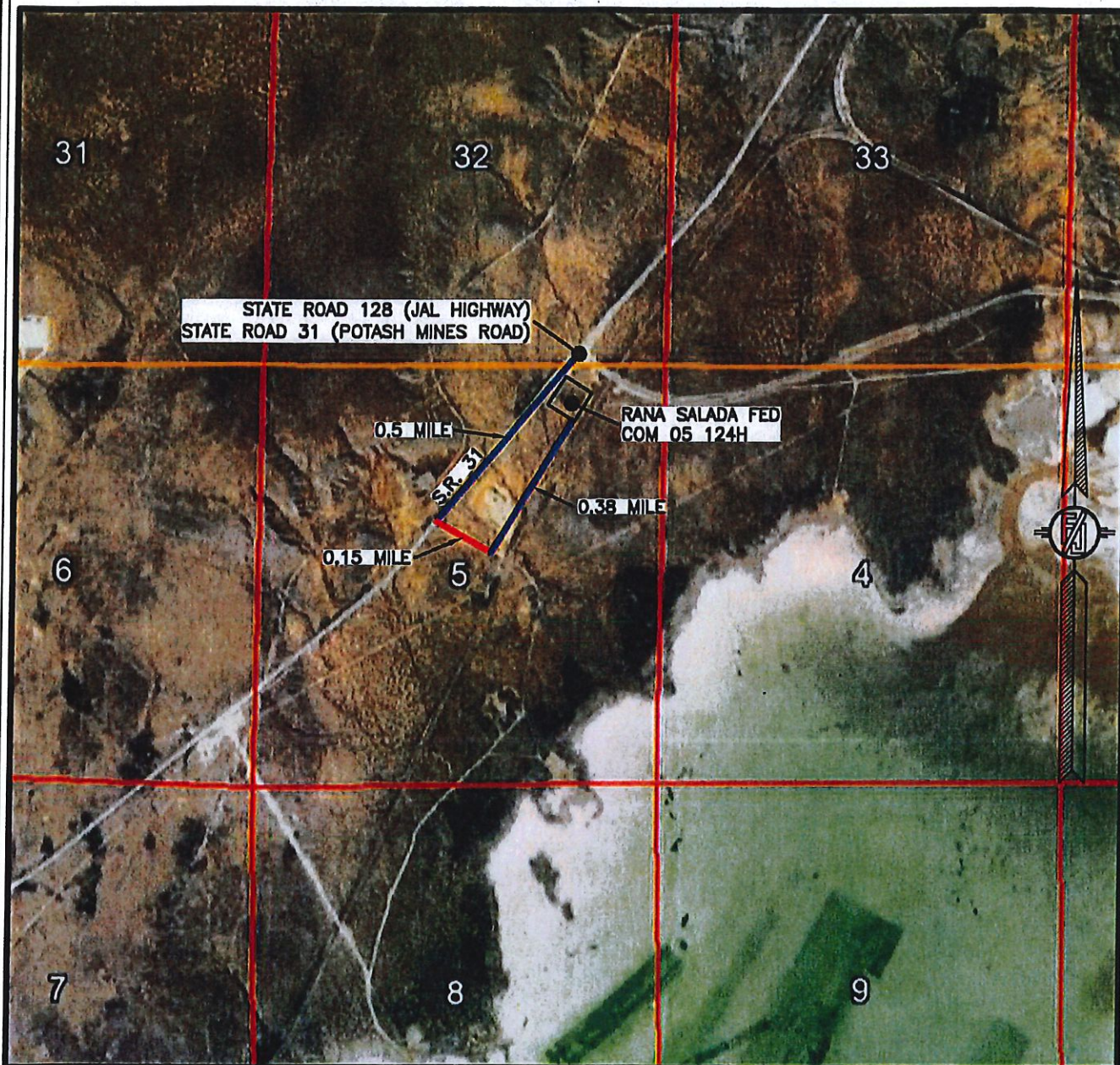
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SECTION 5, TOWNSHIP 23 SOUTH,
RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

AUGUST 2, 2018

SURVEY NO. 6300A

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SECTION 5, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
AERIAL ACCESS ROUTE MAP



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
NOV. 2017

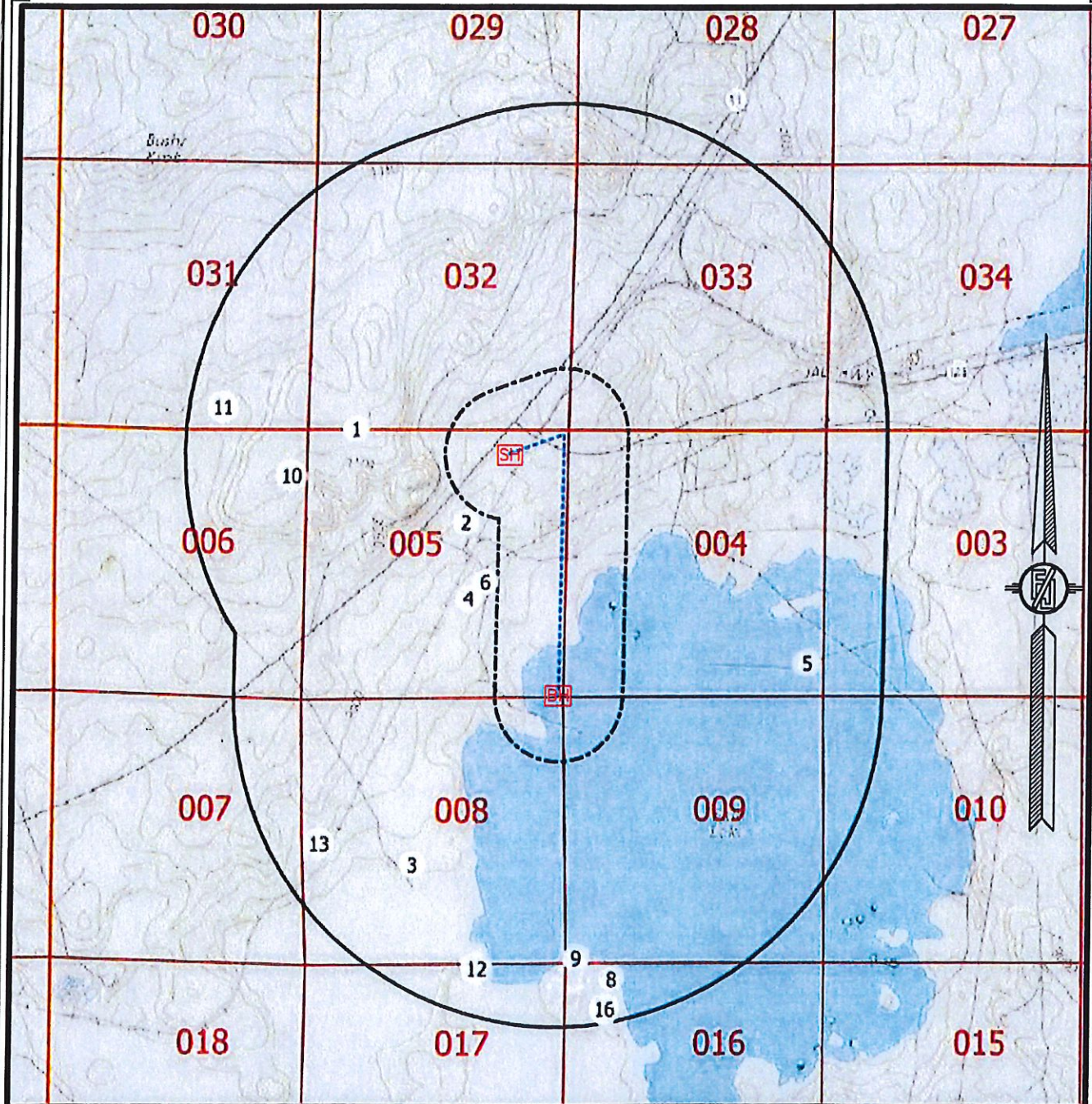
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AND 1206 FT. FROM THE EAST LINE OF
SECTION 5, TOWNSHIP 23 SOUTH,
RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

AUGUST 2, 2018

SURVEY NO. 6300A

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

1-MILE WELL MAP



WELL DATA FROM NMOCD GIS - 8/1/18

SH SURFACE LOCATION

BH BOTTOM OF HOLE

XX WELLS WITHIN 1 MILE

--- WELL PATH

--- 1/4 MILE BOUNDARY

--- 1-MILE BOUNDARY

NOVO OIL & GAS NORTHERN DELAWARE, LLC
RANA SALADA FED COM 05 124H
 LOCATED 485 FT. FROM THE NORTH LINE
 AND 1206 FT. FROM THE EAST LINE OF
 SECTION 5, TOWNSHIP 23 SOUTH,
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 EDDY COUNTY, STATE OF NEW MEXICO

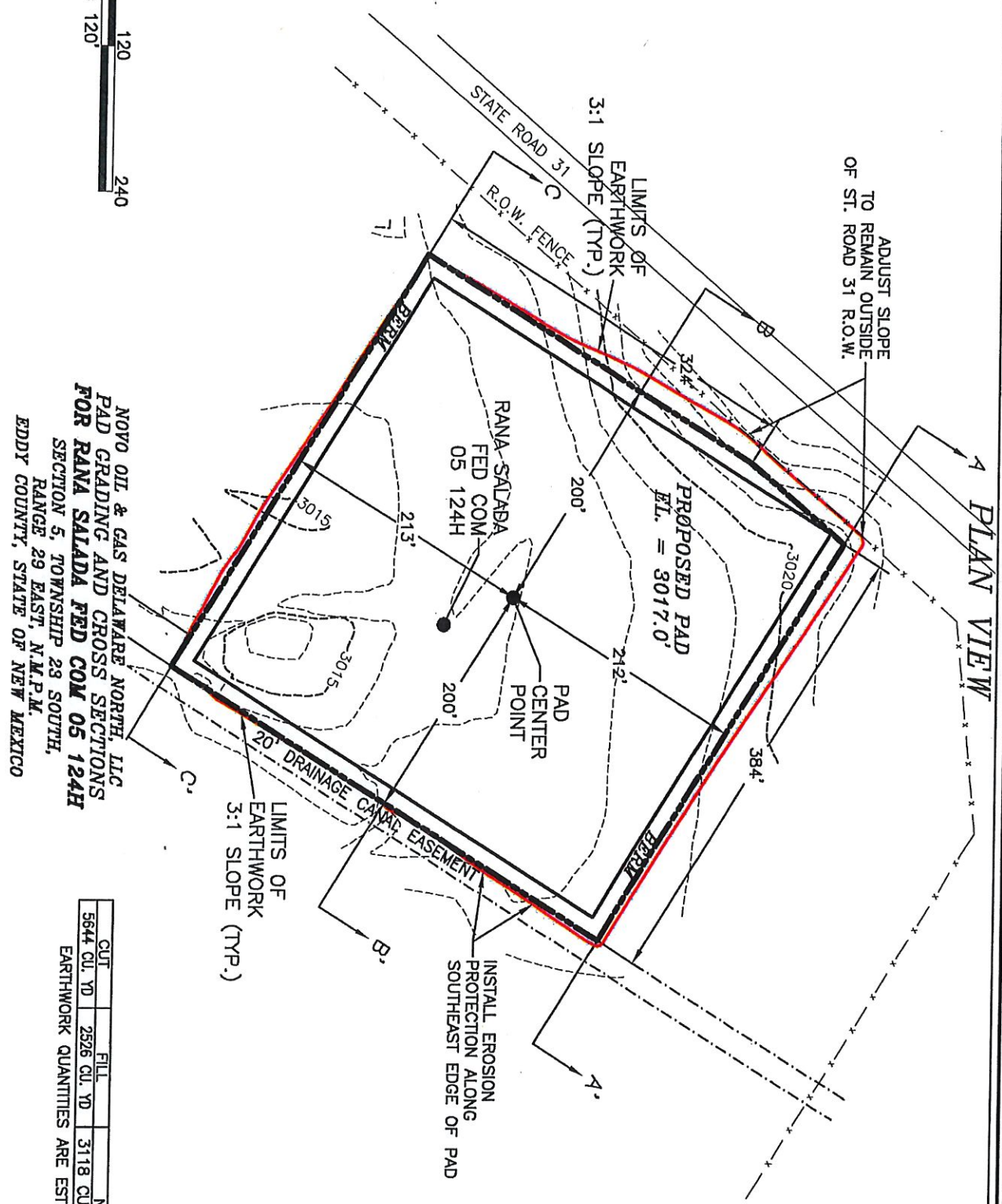
AUGUST 2, 2018

SURVEY NO. 6300A

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341

CARLSBAD, NEW MEXICO

PLAN VIEW

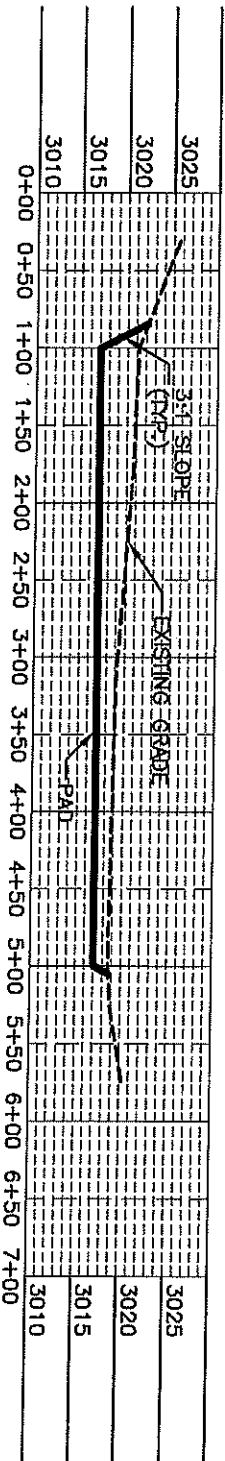


CUT	FILL	NET
5644 CU. YD	2526 CU. YD	3118 CU. YD (CUT)

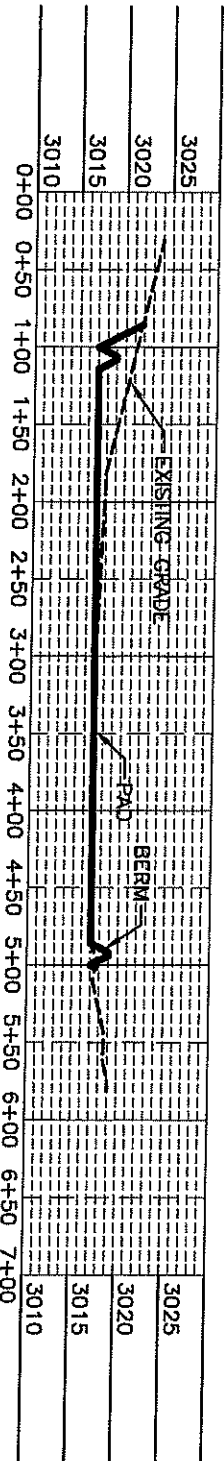
EARTHWORK QUANTITIES ARE ESTIMATED

CROSS-SECTIONS

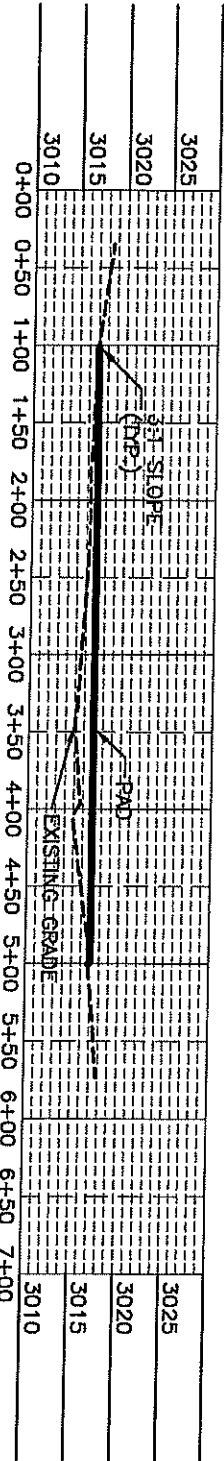
SECTION A-A'



SECTION B-B'



SECTION C-C'



0+12 60 120 240
SCALE 1" = 120' - 1" = 20' VER

NOVO OIL & GAS DELAWARE NORTH, LLC
PAD GRADING AND CROSS SECTIONS
FOR RANA SALADA FED CON 05 124H
SECTION 5, TOWNSHIP 28 SOUTH,
RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

CUT	FILL	NET
5644 CU. YD	2526 CU. YD	3118 CU. YD (CUT)

EARTHWORK QUANTITIES ARE ESTIMATED

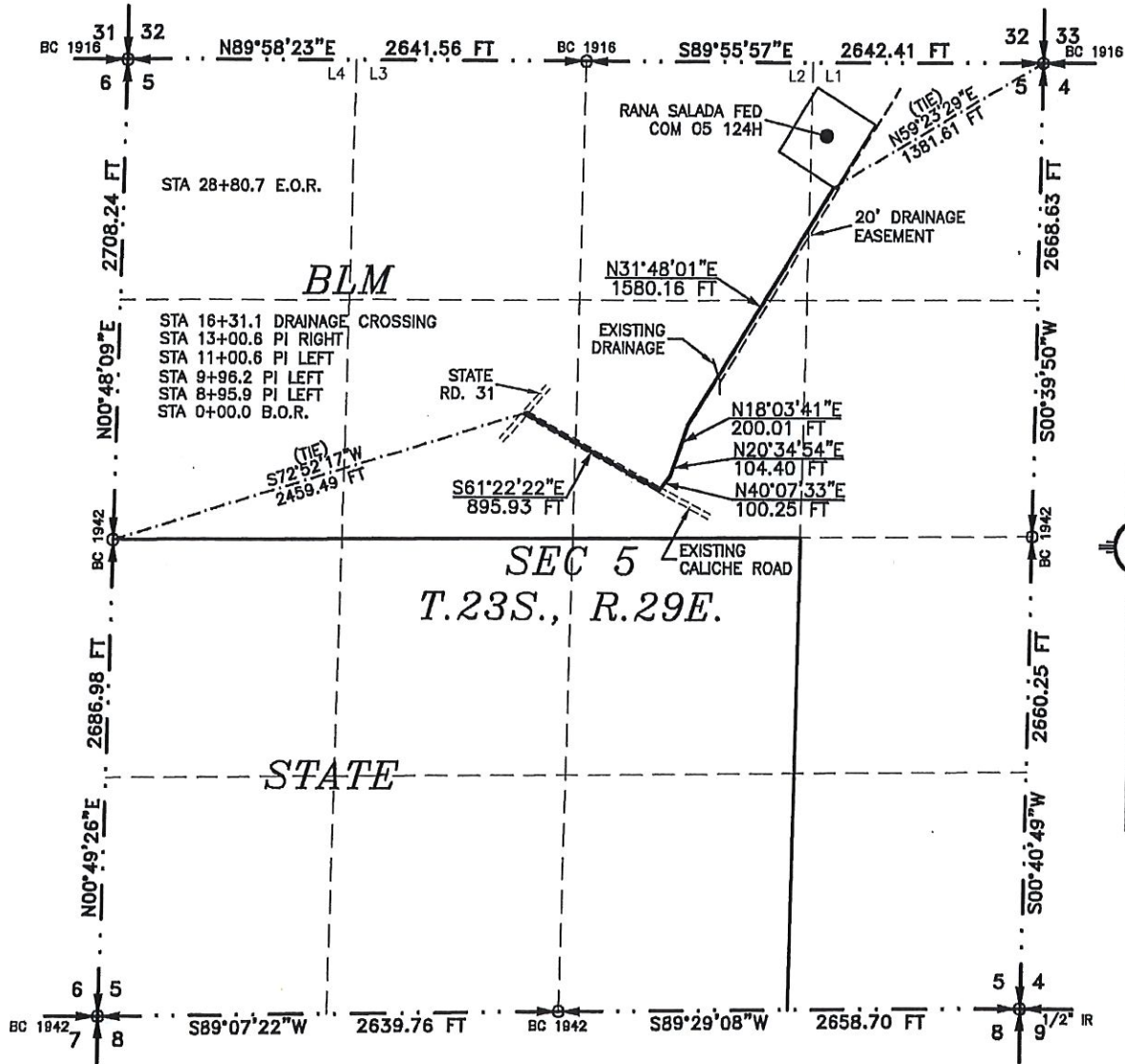
MADRON SURVEYING, INC. 301 SOUTH CANAL, (975) 224-5341
AUGUST 2, 2018
CARLSBAD, NEW MEXICO

SHEET 2-2
SURVEY NO. 63004

ACCESS ROAD PLAT

ACCESS ROAD FOR RANA SALADA FED COM 05 124H

NOVO OIL & GAS NORTHERN DELAWARE, LLC
CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING
SECTION 5, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
AUGUST 2, 2018



SEE NEXT SHEET (2-2) FOR DESCRIPTION



GENERAL NOTES

- 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.
- 2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY.

SURVEYOR CERTIFICATE

I, FILMON E. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD, NEW MEXICO, THIS 27th DAY OF AUGUST 2018.

MADRON SURVEYING, INC.
301 SOUTH CANAL
CARLSBAD, NEW MEXICO 88220
Phone (575) 234-3341

SHEET: 1-2

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO

SURVEY NO. 6300A

ACCESS ROAD PLAT

ACCESS ROAD FOR RANA SALADA FED COM 05 124H

NOVO OIL & GAS NORTHERN DELAWARE, LLC CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 5, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO AUGUST 2, 2018

DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 5, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE SE/4 NW/4 OF SAID SECTION 5, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., WHENCE THE WEST QUARTER CORNER OF SAID SECTION 5, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M. BEARS S72°52'17"W, A DISTANCE OF 2459.49 FEET;
THENCE S61°22'22"E A DISTANCE OF 895.93 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;
THENCE N40°07'33"E A DISTANCE OF 100.25 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;
THENCE N20°34'54"E A DISTANCE OF 104.40 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;
THENCE N18°03'41"E A DISTANCE OF 200.01 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;
THENCE N31°48'01"E A DISTANCE OF 1580.16 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE NORTHEAST CORNER OF SAID SECTION 5, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M. BEARS N59°23'29"E, A DISTANCE OF 1381.61 FEET;

SAID STRIP OF LAND BEING 2880.75 FEET OR 174.59 RODS IN LENGTH, CONTAINING 1.984 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SE/4 NW/4	338.99 L.F.	20.54 RODS	0.233 ACRES
SW/4 NE/4	1793.37 L.F.	108.69 RODS	1.235 ACRES
LOT 2	474.18 L.F.	28.74 RODS	0.327 ACRES
LOT 1	274.21 L.F.	16.62 RODS	0.189 ACRES

GENERAL NOTES

- 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.
- 2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY.

SURVEYOR CERTIFICATE

I, FILMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD, NEW MEXICO, THIS 3 DAY OF AUGUST 2018

[Signature]
FILMON F. JARAMILLO P.S. 12797

MADRON SURVEYING, INC.
301 SOUTH CANAL
CARLSBAD, NEW MEXICO 88220
Phone (575) 234-3341

SURVEY NO. 6300A

SHEET: 2-2
MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW
500 DON GASPAR AVENUE
SANTA FE, NEW MEXICO 87505-2626
TELEPHONE (505) 983-8545
FACSIMILE (505) 983-8547
www.bwenergylaw.com

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NORTH DAKOTA
UTAH
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CANDACE CALLAHAN

DIRECT: (505) 983-8764
E-MAIL: CCALLAHAN@BWENERGYLAW.COM

October 24, 2018

VIA CERTIFIED MAIL-RETURN RECEIPT

To: Parties on Exhibit "A"

Re: New Mexico Oil Conservation Division Amended Application for Non-Standard Spacing and
Proration Unit and Compulsory Pooling, Case No. 16284
Rana Salada Fed Com 05 124H well

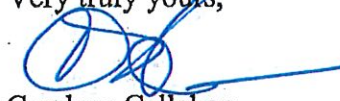
Dear Ladies and Gentlemen:

This letter is to advise you that Novo Oil & Gas, LLC has filed the enclosed amended application for non-standard spacing and compulsory pooling with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on November 15, 2018. The hearing will be held in the Oil Conservation Division's Santa Fe Offices located at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an interest owner in the well unit you may be affected by this application, and you may appear and present testimony. Failure to appear at that time and become a part of record will preclude you from challenging the matter at a later date. Please note the name stated in the enclosed application for the proposed initial well has been changed to the Rana Salada Fed Com 05 124H well as referenced above.

A party appearing in a Division case is required by Division Rule 19.15.4.13:B to file a Pre-Hearing Statement four days in advance of a scheduled hearing. This statement must be filed with the Division's Santa Fe office at the above address and should include: the names of the party and its attorney; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned and to the persons listed on Exhibit A.

If you have any questions about this matter, please contact Brandon Patrick at 405-286-4197 or bpatrick@novoog.com.

Very truly yours,



Candace Callahan
Attorney for Novo Oil & Gas, LLC

APPLICATION OF NOVO OIL & GAS
NORTHERN DELAWARE, LLC Case No. 16284
EXHIBIT #7-A

(16284) Exhibit A

Marathon Oil Permian, LLC
555 San Felipe Street
Houston, TX 77056
Attention: Chase Rice

TDY Industries, LLC
c/o Bank of America, Agent
P. O. Box 830308
Dallas, TX 75283

BTA Oil Producers, LLC
104 South Pecos
Midland, Texas 79701

Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508

Wells Fargo Bank, N.A., Trustee of the
John Saleh Charitable Foundation
500 West Texas Avenue
Midland, TX 79701

Morris E. Schertz and wife, Holly K. Schertz
P.O Box 2588
Roswell, NM 88202

Rolla R. Hinkle II
P.O Box 2292
Roswell, NM 88202


NOVO Minerals, LP
105 N. Hudson Ave Ste 500
Oklahoma City, OK 73102

Melinda Mueller
Personal Representative of the Estate of Philip B.
Withrow
P.O Box 616
Stamford, TX 79553

Destiny Management, Inc.
104 N. Big Spring, Suite 220
Midland, TX 79701

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<p>1. Article Addressed to:</p> <p style="text-align: right;">9416 -0002 A</p> <p>Marathon Oil Permian, LLC 555 San Felipe Street Houston, TX 77056 Attention: Chase Rice</p>		<p>B. Received by (Printed Name) <u>Richard Vargas</u></p> <p>C. Date of Delivery <u>10/29/18</u></p>	
<p>2. Article Number (Transfer from service label) 7018 0680 0002 2179 7541</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>9416 -0002 A</p> <p>Marathon Oil Permian, LLC 555 San Felipe Street Houston, TX 77056 Attention: Chase Rice</p> <p>9590 9402 4303 8190 8869 16</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	

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Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage	\$
Sent To	9416 -0002 A
Street and Apt.	Marathon Oil Permian, LLC
City, State, ZIP	555 San Felipe Street Houston, TX 77056 Attention: Chase Rice
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>X</p>	
<p>1. Article Addressed to:</p> <p style="text-align: right;">9416 -0002 A</p> <p>TDY Industries, LLC c/o Bank of America, Agent P. O. Box 830308 Dallas, TX 75283</p>		<p>B. Received by (Printed Name)</p> <p>C. Date of Delivery OCT 29 2010</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7018 0680 0002 2179 7558</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If YES, enter delivery address below:</p>	
<p>9590 9402 4303 8190 8869 09</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	


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<p>PS Form 3800, April 2013 PSN 7530-02-000-9047 See Reverse for Instructions</p>	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <u>John DeCaro</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p style="text-align: right;">9416 -0002 A</p> <p>BTA Oil Producers, LLC 104 South Pecos Midland, Texas 79701</p>		<p>B. Received by (Printed Name) <u>John Serrano</u></p>	<p>C. Date of Delivery <u>10-29-18</u></p>
<p>2. Article Addressed to:</p> <p style="text-align: right;">9416 -0002 A</p> <p>BTA Oil Producers, LLC 104 South Pecos Midland, Texas 79701</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p>		<p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>2. Article Number (Transfer from service label)</p> <p><u>7018 0680 0002 2179 7565</u></p>		<p>Restricted Delivery</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	

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<p>Certified Mail Fee</p> <p>\$ _____</p>	<p>Postmark Here</p>
<p>Extra Services & Fees (check box, add fee as appropriate)</p> <p><input type="checkbox"/> Return Receipt (hardcopy) \$ _____</p> <p><input type="checkbox"/> Return Receipt (electronic) \$ _____</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery \$ _____</p> <p><input type="checkbox"/> Adult Signature Required \$ _____</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery \$ _____</p>	
<p>Postage</p> <p>\$ _____</p>	
<p>Total Postage</p> <p>\$ _____</p>	
<p>Sent To</p> <p>Street and Apt. _____</p> <p>City, State, ZIP _____</p>	
<p>BTA Oil Producers, LLC 104 South Pecos Midland, Texas 79701</p>	
<p>PS Form 3800, April 2015 PSN 7530-02-000-5047 See Reverse for Instructions</p>	

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<p>1. Article Addressed to:</p> <p>9416 -0002 A</p> <p>Bureau of Land Management 301 Dinosaur Trail Santa Fe, NM 87508</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>2. Article Number (Transfer from service label) 7018 0680 0002 2179 7572</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input checked="" type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Signature Confirmation</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Rec</p>	

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<p>Certified Mail Fee</p> <p>\$</p> <p>Extra Services & Fees (check box, add fee as appropriate)</p> <p><input type="checkbox"/> Return Receipt (hardcopy) \$</p> <p><input type="checkbox"/> Return Receipt (electronic) \$</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery \$</p> <p><input type="checkbox"/> Adult Signature Required \$</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery \$</p>	<p>Postmark Here</p>
<p>Postage</p> <p>\$</p> <p>Total Postage and</p> <p>\$</p>	<p>9416 -0002 A</p>
<p>Sent To</p> <p>Street and Apt. No.</p> <p>City, State, ZIP+4</p>	<p>Bureau of Land Management 301 Dinosaur Trail Santa Fe, NM 87508</p>
<p>PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions</p>	

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<p>1. Article Addressed to:</p> <div style="text-align: center; padding: 10px;"> <p>9416 -0002 A</p> <p>Wells Fargo Bank, N.A., Trustee of the John Saleh Charitable Foundation 500 West Texas Avenue Midland, TX 79701</p> </div>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>												
<div style="text-align: center;">  9590 9402 4303 8190 8868 79 </div>	<p>3. Service Type</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input checked="" type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery
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<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™												
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery												
<p>2. Article Number (Transfer from service label)</p> <div style="border: 1px solid black; padding: 2px; display: flex; justify-content: space-between;"> 7018 0680 0002 2179 7589 Restricted Delivery </div>													

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<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage	
\$	
Total Postage	
\$	
Sent To	
Street and Apt.	
City, State, ZIP	

9416 -0002 A

Wells Fargo Bank, N.A., Trustee of the
John Saleh Charitable Foundation
500 West Texas Avenue
Midland, TX 79701

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<p>1. Article Addressed to:</p> <p style="text-align: right;">9416 -0002 A</p> <p>Morris E. Schertz and wife, Holly K. Schertz P.O. Box 2588 Roswell, NM 88202</p>															
<p> 9590 9402 4079 8092 0298 82</p>															
<p>2. Article Number (Transfer from service label) 7018 0680 0002 2179 7596</p>	<p>3. Service Type</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input checked="" type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Restricted Delivery</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Restricted Delivery	
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<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery														
<input type="checkbox"/> Restricted Delivery															
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt</p>															

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<p><input type="checkbox"/> Return Receipt (hardcopy) \$</p>	
<p><input type="checkbox"/> Return Receipt (electronic) \$</p>	
<p><input type="checkbox"/> Certified Mail Restricted Delivery \$</p>	
<p><input type="checkbox"/> Adult Signature Required \$</p>	
<p><input type="checkbox"/> Adult Signature Restricted Delivery \$</p>	
<p>Postage \$</p>	
<p>Total Postage and Fees \$</p>	
<p>Sent To</p>	
<p>Street and Apt. No.</p>	
<p>City, State, ZIP+4</p>	

9416 -0002 A

Morris E. Schertz and wife,
Holly K. Schertz
P.O. Box 2588
Roswell, NM 88202

See Reverse for Instructions

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

9416 -0002 A

Rolla R. Hinkle II
P.O Box 2292
Roswell, NM 88202



9590 9402 4079 8092 0298 75

2. Article Number (Transfer from service label)

7018 0680 0002 2179 7602

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below:

☐ Yes

☐ No

3. Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

☐ Insured Mail

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☐ Return Receipt (electronic)

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☐ Adult Signature Required

☐ Adult Signature Restricted Delivery

Postage

\$

Total Postage and

\$

Sent To

Street and Apt. No.

City, State, ZIP+4®



Rolla R. Hinkle II
P.O Box 2292
Roswell, NM 88202

Postmark
Here

9416 -0002 A

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <div style="text-align: center; margin-top: 20px;"> <p>9416 -0002-A</p> <p>NOVO Minerals, LP</p> <p>105 N. Hudson Ave Ste 500</p> <p>Oklahoma City, OK 73102</p> </div> <div style="text-align: center; margin-top: 10px;">  <p>9590 9402 4079 8092 0298 68</p> </div> <p>Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">7018 0680 0002 2179 7619</p>	<p>A. Signature</p> <p>X  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____</p> <p>C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> (all Restricted Delivery)</p>	<p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

7018 0680 0002 2179 7619

U.S. Postal Service™

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<p>Certified Mail Fee</p> <p>\$ _____</p>	<p>Postmark Here</p>
<p>Extra Services & Fees (check box, add fee as appropriate)</p> <p><input type="checkbox"/> Return Receipt (hardcopy) \$ _____</p> <p><input type="checkbox"/> Return Receipt (electronic) \$ _____</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery \$ _____</p> <p><input type="checkbox"/> Adult Signature Required \$ _____</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery \$ _____</p>	
<p>Postage</p> <p>\$ _____</p>	
<p>Total Postage \$ _____</p>	
<p>Sent To _____</p>	
<p>Street and Apt. _____</p>	
<p>City, State, ZIP _____</p>	

PS Form 3800, April 2015 PSN 7530-02-000-9047

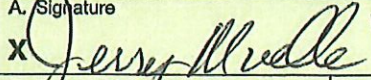
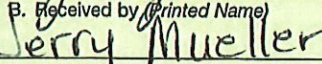
See Reverse for Instructions

9416 -0002 A

NOVO Minerals, LP

105 N. Hudson Ave Ste 500

Oklahoma City, OK 73102

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete Items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature  <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p style="text-align: right;">9416 -0002 A</p> <p>Melinda Mueller Personal Representative of the Estate of Philip B. Withrow P.O Box 616 Stamford, TX 79553</p>		<p>B. Received by (Printed Name)  Jerry Mueller</p> <p>C. Date of Delivery 10/29/18</p>	
<p>2. Article Number (Transfer from service label) 7018 0680 0002 2179 7626</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p>		<p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p>Domestic Return Receipt</p>	

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Certified Mail Fee \$	<p>Postmark Here</p>
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$	
<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage \$	
Total Postage and Fees \$	
Sent To	9416 -0002 A
Street and Apt. No.,	Melinda Mueller
City, State, ZIP+4®	Personal Representative of the Estate of Philip B. Withrow
	P.O Box 616
	Stamford, TX 79553
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

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Certified Mail Fee

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Extra Services & Fees (check box, add fee as appropriate)

- | | | |
|--|----|--|
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ | |
| <input type="checkbox"/> Return Receipt (electronic) | \$ | |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ | |
| <input type="checkbox"/> Adult Signature Required | \$ | |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ | |

Postmark
Here

Postage

\$

Total Postage

\$

Sent To

Street and Apt.

City, State, ZIP

Destiny Management, Inc.
104 N. Big Spring, Suite 220
Midland, TX 79701

9416 -0002 A

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

7018 0680 0002 2179 7633



BEATTY & WOZNIAK, P.C.

ENERGY IN THE LAW

500 Don Gaspar Ave.
Santa Fe, NM 87505



7018 0680 0002 2179 7633



-R-T-S- 797015070-1N 11/08/18

RETURN TO SENDER
NO SUCH NUMBER
UNABLE TO FORWARD
RETURN TO SENDER



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

9416-0002 A

Destiny Management, Inc.
104 N. Blg Spring, Suite 220
Midland, TX 79701



9590 9402 4079 8092 0298 44

2. Article Number (Transfer from service label)

7018 0680 0002 2179 7633

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Restricted Delivery
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☒ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt



Justin Carter
Landman
Novo Oil & Gas Northern Delaware, LLC
1001 West Wilshire Blvd, Suite 206
Oklahoma City, Oklahoma 73116
Office: 405.286.3375
jcarter@novooog.com

December 13, 2018

Marathon Oil Permian, LLC
5555 San Felipe Street
Houston, Texas 77056

Attention: Chase Rice

Re: Rana Salada Fed Com 05 124H Well Proposal
Section 5, T23S-R29E
Eddy County, New Mexico

Mr. Rice:

Novo Oil & Gas Northern Delaware, LLC ("Novo"), as Operator, proposes the drilling and completion of the Rana Salada Fed Com 05 124H as a horizontal well to test the Second Bone Spring formation (TVD 8,465'). The proposed well will have a total measured length of approximately 14,445' with the first take point located approximately 100' FNL and 330' FEL of Section 5, 23S-29E and a proposed last take point located approximately 100' FSL and 330' FEL of Section 5, 23S-29E. The spacing unit area will be the E/2 E/2 of Section 5, T23S-R29E, being 160 acres, more or less.

Enclosed for your review is Novo's Authority for Expenditure ("AFE") in the total gross amount of \$6,797,000.00. According to our records, Marathon Oil Permian, LLC owns 5 net acres in the SE/4 SE/4, representing 3.125% working interest in the proposed well.

Novo reserves the right to modify the location and drilling plans described above in order to address surface and/or subsurface issues as may arise as preparations are made to drill the well. Novo will advise of any such modifications.

Please indicate your election as to whether you will participate in the space provided below. Please sign and return this letter to my attention within thirty (30) days from receipt or send by email to jcarter@novooog.com. Upon request, a Joint Operating Agreement will be provided for review.

Should you have any questions, please do not hesitate to contact me at 405.286.3375.

**APPLICATION OF NOVO OIL & GAS
NORTHERN DELAWARE, LLC Case No. 16284
PATRICK EXHIBIT #2**

Sincerely,

Novo Oil & Gas Northern Delaware, LLC

Justin Carter
Landman

Rana Salada Fed Com 05 124H

_____ elects to participate in the drilling, completing, and equipping of the Rana Salada Fed
Com 05 124H

_____ elects **NOT** to participate in the drilling, completing, and equipping of the Rana Salada
Fed Com 05 124H

Marathon Oil Permian, LLC

By: _____

Print Name: _____

Title: _____

Date: _____

**NOVO**

NOVO OIL & GAS NORTHERN DELAWARE, LLC
AUTHORIZATION FOR EXPENDITURE
 1001 West Wichita, Suite 200
 Oklahoma City, Oklahoma 73116
 405-266-4391

WELL NAME	Rana Salada Fed Com 05 124H	AFE TYPE	Development	AFE NUMBER	2016050
LATERAL LOCATION	T-23-S, R-29-N, Sec 05, Slot 4, Az-S	FIELD	Northern Delaware	DRILLING DAYS	18
SURFACE LOCATION	T-25-S, R-29-E, Sec 5 NE/4	FORMATION	2nd Bone Spring	DEPTH (TVD/TMD)	8,465' / 14,445'
BOTTOM-HOLE LOCATION	T-25-S, R-29-E, Sec 5 SE/4	COUNTY	Eddy County	STATE	New Mexico
PROJECT DESCRIPTION	Drilling, completion, and production facilities costs for 5,080' horizontal well.				
ACCT. CODE	DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
	INTANGIBLE COSTS	DRILLING (300)	COMPLETION (600)		
01	SURVEY/PERMITS/DAMAGES/LEGAL	\$ 25,000		\$	25,000
02	LOCATION & ROAD	100,000			100,000
03	RIG MOVE	120,000			120,000
04	DRILLING - FOOTAGE	50,000			50,000
05	DRILLING - DAYWORK	547,000			547,000
06	COMPLETION/WORKOVER RIG		80,000		80,000
07	COIL TUBING/SNUBBING UNIT		120,000		120,000
08	SLICKLINE/SWABBING				0
09	BITS	80,000	5,000		85,000
10	DIRECTIONAL SERVICES	180,000			180,000
11	CASING CREW	80,000			80,000
12	TOOL & EQUIPMENT RENTAL	50,000	80,000		130,000
13	FUEL & POWER	138,000	20,000		158,000
14	DIESEL - BASE FOR MUD	100,000			100,000
15	MUD LOGGING & GEOLOGIST	16,000			16,000
16	DISPOSAL, RESTORATION & BACKFILL	120,000			120,000
17	TRUCKING	50,000	50,000		100,000
18	TESTING				0
19	CEMENTING	140,000			140,000
20	PERFORATING		178,000		178,000
21	CASED HOLE LOGS				0
22	DOWNHOLE TOOLS & SERVICE		75,000		75,000
23	OTHER STIMULATION		120,000		120,000
24	FORMATION STIMULATION		2,070,000		2,070,000
25	CONSULTING SERVICES				0
26	SUPERVISION	120,000	80,000		200,000
27	CONTRACT LABOR	10,000	20,000		30,000
28	OTHER LABOR		100,000		100,000
29	COMPANY CONSULTING/SUPV				0
30	WATER	50,000	455,000		505,000
31	FLUIDS & CHEMICALS	125,000			125,000
32	CORING & ANALYSIS				0
33	COMMUNICATIONS	10,000	10,000		20,000
34	BOP TESTING	20,000	10,000		30,000
36	FISHING TOOLS & SERVICES				0
37	INSPECTIONS	10,000	5,000		15,000
38	WIRELINE SERVICES				0
39	ENGINEERING & GEOLOGY - FIELD				0
40	ENGINEERING & GEOLOGY - OFFICE				0
41	MULTISHOT & GYRO				0
42	RE-ENTRY SERVICES				0
43	CAMPS & TRAILERS	25,000	15,000		40,000
44	SAFETY EQUIPMENT & H2S	10,000	5,000		15,000
45	CONTINGENCY				0
46	INSURANCE	5,000	2,000		7,000
47	MISCELLANEOUS	10,000	1,000		11,000
49	SIM-OPS				0
	TOTAL INTANGIBLE COSTS	\$ 2,191,000	\$ 3,501,000		\$ 5,692,000
	TANGIBLE COSTS	DRILLING (400)	COMPLETION (600)	TOTAL	
01	CASING - CONDUCTOR	\$ 6,000		\$	6,000
02	CASING - SURFACE	22,000			22,000
03	CASING - INTERMEDIATE	156,000			156,000
04	CASING - INTERMEDIATE 2				0
05	CASING - PRODUCTION / LINER	344,000			344,000
06	SUBSURFACE EQUIPMENT		25,000		25,000
07	PRODUCTION TUBING		52,000		52,000
08	SUBSURFACE PUMPING EQUIPMENT				0
09	WELLHEAD EQUIPMENT	40,000	30,000		70,000
10	FLOWLINES		50,000		50,000
11	SURFACE PUMPING EQUIPMENT				0
12	LINER HANGER & ASSOC EQUIP				0
13	VALVES & FITTINGS		10,000		10,000
15	RODS				0
17	TRUCKING	40,000	10,000		50,000
20	RE-ENTRY EQUIPMENT				0
34	PRODUCTION EQUIPMENT		300,000		300,000
47	MISCELLANEOUS	10,000	10,000		20,000
49	TANGIBLE EQUIP-ACQUISITIONS				0
	TOTAL INTANGIBLE COSTS	\$ 618,000	\$ 487,000		\$ 1,105,000
	TOTAL ESTIMATED WELL COST	\$ 2,809,000	\$ 3,988,000		\$ 6,797,000

PREPARED BY:

Kurt A. Shipley

Vice President - Operations

DATE: 11-5-2018

OPERATOR APPROVAL:

Chief Executive Officer

DATE: 11/5/18

OPERATOR APPROVAL:

Chief Financial Officer

DATE: 11/5/2018

PARTNER COMPANY NAME:

PARTNER APPROVAL:

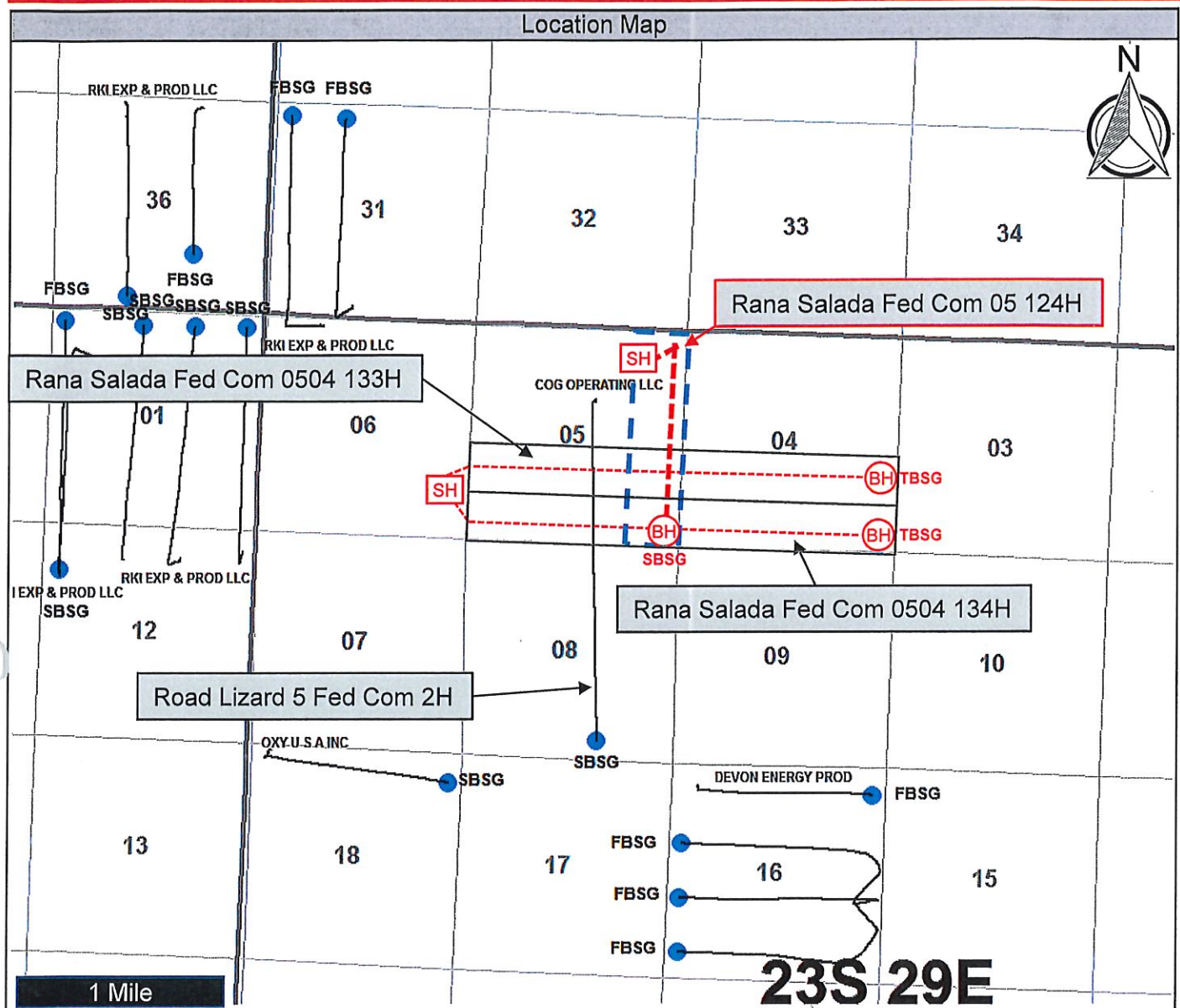
DATE:

TITLE:

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs. Please make a note that some expenditures such as tubing, artificial lift or surface equipment may occur up to one year after the project has been initiated.

Salt Lake – Bone Spring Execution Plan

3rd Bone Spring Proposed Location, Section 05-23S-29E



Map Legend

- Spacing Unit (160 ac.)
- Bone Spring Producer
- SH Surface Hole Location
- Novo Horizontal Location
- BH Bottom Hole Location
- TBSG Horizontal Landing Target

Hearing Details

Novo Oil & Gas Northern Delaware, LLC

Docket Number:

Case Number: 16284

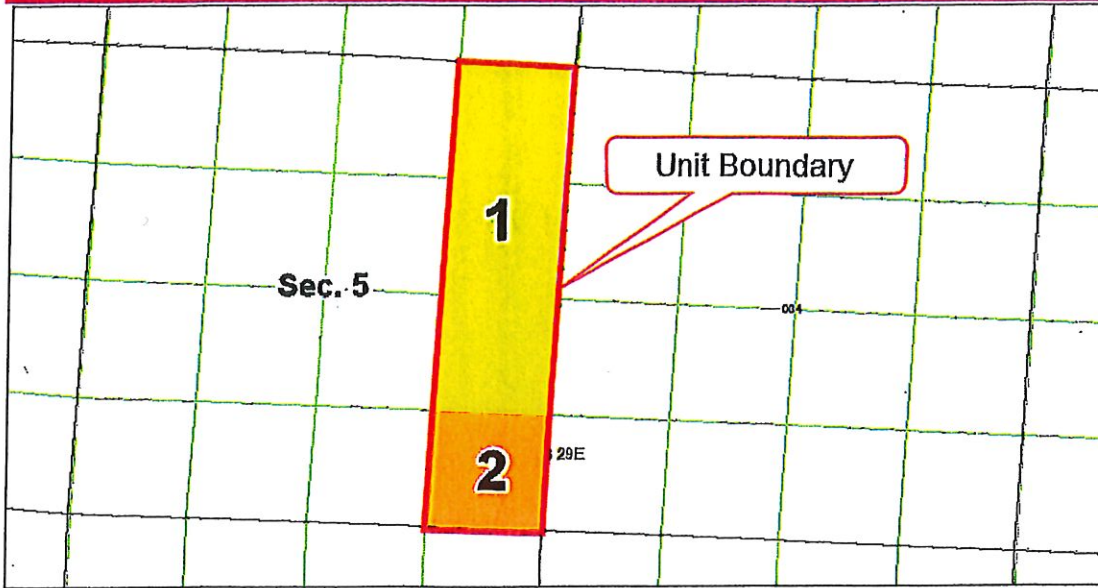
Date: 11/15/2018

Exhibit Number:

CASE NO. 16284 - Description of Depth Severance

“the stratigraphic equivalent of all depths from the top of the 2nd Bone Spring Sand interval to the base of the 2nd Bone Spring Sand interval as delineated by the Type Log for the Carthel Federal 2, API 30015233890000 located in the SW/4NE/4 and W/2SE/4 of Section 5 and W/2E/2 of Section 8, Township 23 South, Range 29 East, Eddy County, New Mexico.”

Case No. 16284



Novo Oil & Gas Northern Delaware, LLC
Case Nos. 16284
Ownership in Proposed Unit*
2nd Bone Spring Sand interval
Lot 1 (NE4NE4), SE/4NE/4, E/2SE/4
Sec 5, T23S, R29E

Tract 1: Lot 1 (NE/4NE/4), SE/4NE/4, NE/4SE/4

120.36 unit acres

Novo Oil & Gas Northern Delaware, LLC

Type

Federal

WI

100.00%

Unit Acres

120.36

Unit WI

0.750561237

Tract 2: SE/4SE/4

40.00 unit acres

Novo Oil & Gas Northern Delaware, LLC

Marathon Oil Permian, LLC

Fee

87.50%

12.50%

35.00

5.00

40.00

0.218258917

0.031179845

0.249438763

TOTAL

160.36

1.0000000

*Ownership is uniform within the Bone Spring Sand interval underlying Lot 1 (NE4NE4), SE/4NE/4, E/2SE/4 of Sec 5

Unit Cumulative WI

Novo Oil & Gas Northern Delaware, LLC

Marathon Oil Permian, LLC

0.9688202

0.0311798

TOTAL

1.0000000

APPLICATION OF NOVO OIL & GAS
NORTHERN DELAWARE, LLC Case No. 16284
PATRICK EXHIBIT #5

E/2 E/2 of Section 5, T23S, R29E
Updated Mineral Ownership of Bone Spring Formation
Case No. 16284

	Owner Name	WI	Comment
Group A	<i>SURFACE TO 8,773'</i>		
	Marathon Oil Permian	3.13%	Marathon assigned 7/8 of its interest to Novo (recorded 12/19/2018)
	Novo Oil & Gas Northern Delaware, LLC	96.88%	
Group B	<i>8,773' TO BASE OF BONE SPRING</i>		
	Marathon Oil Permian	3.13%	Marathon assigned 7/8 of its interest to Novo (recorded 12/19/2018)
	Novo Oil & Gas Northern Delaware, LLC	96.88%	
Group C	<i>BELOW BASE OF BONE SPRING</i>		
	Marathon Oil Permian	3.13%	Marathon assigned 7/8 of its interest to Novo (recorded 12/19/2018)
	Novo Oil & Gas Northern Delaware, LLC	96.88%	

EXHIBIT 6 LIST OF POOLED PARTIES
CASE NO. 16284
NOVO OIL & GAS NORTHERN DELAWARE, LLC
RANA SALADA FED COM 05 124H WELL

Marathon Oil Permian, LLC	WI
Wells Fargo Bank NA Trustee of the John Saleh Charitable Foundation	ORI
Morris E. Schertz and wife, Holly K. Schertz	ORI
Rolla R. Hinkle II	ORI
NOVO Minerals LP	ORI
Melinda Mueller, Personal Representative of the Estate of Philip B. Withrow	ORI
Destiny Management, Inc.	ORI
TDY Industries, LLC	RI
BTA Oil Producers, LLC	RI

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

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


CASE NO. 16284

AFFIDAVIT OF NOTICE

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

Candace Callahan, being duly sworn upon her oath, deposes and states:

1. I am over the age of 18 and have personal knowledge of the matters stated herein.
2. I am an attorney for Novo Oil & Gas Northern Delaware, LLC.
3. Applicant has conducted in good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the interest owners, at their correct addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit A

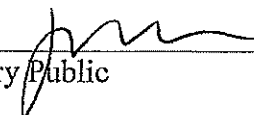


Candace Callahan

SUBSCRIBED AND SWORN TO before me this 19 day of February, 2019 by Candace Callahan.

My Commission Expires:

10/18/2022



Notary Public

**APPLICATION OF NOVO OIL & GAS
NORTHERN DELAWARE, LLC Case No. 16284
EXHIBIT #7**



Status of October 25th "Parties on Exhibit A" Case 16284

Recipient	Delivered	Receipt	Returned	Interest Type	Tracking Notes	Published in Current-Argus
1 Marathon Oil Permian, LLC	X	X		WI		11/1/2018
2 TDY Industries, LLC	X	X		RI		11/1/2018
3 BTA Oil Producers, LLC	X	X		RI		11/1/2018
4 Bureau of Land Management	X	X		RI		
Wells Fargo Bank, NA Trustee of the John						
5 Saleh Charitable Foundation	X	X		ORI		11/1/2018
6 Morris E. Schertz et ux Holly K. Schertz	X	X		ORI		11/1/2018
7 Rolla R. Hinkle II	X	X		ORI		11/1/2018
8 NOVO Minerals, LP	X	X		ORI		11/1/2018
Melinda Mueller Personal Rep. of the Estate						
9 of Philip B. Withrow	X	X		ORI		11/1/2018
10 Destiny Management, Inc.			X	ORI	Returned	11/1/2018

APPLICATION OF NOVO OIL & GAS
NORTHERN DELAWARE, LLC Case No. 16284
EXHIBIT #7-B

AFFIDAVIT OF PUBLICATION

Ad No.
0001266952

BEATTY & WOZNIAK, P.C.
216 SIXTEENTH STREET, SUITE 1100

DENVER CO 80202

I, a legal clerk of the **Carlsbad Current-Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

11/01/18

Rhugu

Legal Clerk

Subscribed and sworn before me this
1st of November 2018.

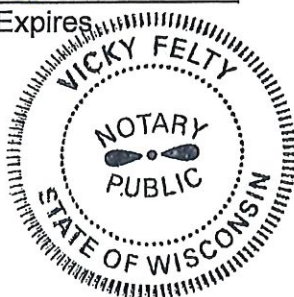
Vicky Felty

State of WI, County of Brown
NOTARY PUBLIC

9-19-21

My Commission Expires

Ad#:0001266952
P O :
of Affidavits :0.00



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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 a.m. on November 15, 2018 in the Oil Conservation Division's Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner, duly appointed for the hearing. OCD Rule Subsection B of 19.15.4.13 NMAC requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued.

STATE OF NEW MEXICO TO

All named parties and persons having any right, title interest or claim in the following cases and notice to the public (NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated)

CASE NO. 16284

TO: Marathon Oil Permian, LLC, TDY Industries, LLC, BTA Oil Producers, LLC, Wells Fargo Bank, N.A., Trustee of the John Saleh Charitable Foundation, Morris E. Schertz and wife, Holly K. Schertz, Rolla R. Hinkle II, NOVO Minerals, LP, Melinda Mueller Personal Representative of the Estate of Philip B. Withrow, Destiny Management, Inc.

Case No. 16284: Amended Application of Novo Oil & Gas Northern Delaware, LLC, the wholly owned subsidiary of Novo Oil & Gas, LLC, for a non-standard spacing and proration unit, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks

an order pooling all uncommitted mineral interests in the Bone Spring formation underlying Lot 1 (NE/4NE/4), SE/4NE/4, and E/2SE/4 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. This 160.36 acre standard horizontal spacing and proration unit is to be dedicated to the applicant's Rana Salada Fed Com 05 124H 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 5, Township 23 South, Range 29 East. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing each well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles Northeast of Loving, New Mexico.

APPLICATION OF NOVO OIL & GAS
NORTHERN DELAWARE, LLC Case No. 16284
EXHIBIT #8

**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. 16284

AFFIDAVIT OF MICHAEL HALE

Michael Hale of lawful age and being first duly sworn, declares as follows.

1. My name is Michael Hale. I work for Novo Oil & Gas, LLC ("Novo") as the Vice President of Exploration. I am responsible for all geologic operations and development of Novo's Delaware Basin assets in Eddy County, NM as well as exploring other oil and gas basins in North America for opportunities.

2. I received a Bachelor of Science in Geology and a Master of Science in Geology from East Carolina University in 2004 and 2008, respectively. While in graduate school, I worked on a Petroleum Research Fund (PRF) grant with senior scientists from the National Museum of Natural History, Smithsonian Institution in Washington D.C. I have worked as a geologist in the oil and gas industry for over 11 years. I began my career in 2008, working for Fronterra Geosciences doing primarily resistivity formation image evaluation. After I left Fronterra, I worked as a Geologist for Sandridge Energy, performing both operational and exploration duties in both the Permian Basin and Anadarko Basins. Before coming to Novo, I was Geological Advisor for Ascent Resources, overseeing all work in the Appalachian Basin with a primary focus in Ohio's Utica Shale play. While I have never testified before the New Mexico Oil Conservation Division (NMOCD), while with Ascent Resources I testified as an expert witness as part of ~10 unitization hearings before the Ohio Department of Natural Resources (ODNR).

3. My professional associations are: American Association of Petroleum Geologists (AAPG), West Texas Geological Society (WTGS), Oklahoma City Geological Society (OCGS), Young Professionals in Energy (YPE)

4. I am familiar with the application filed by Novo in this case. I am also familiar with the applications filed by Novo in Case Nos. 16282 and 16283 heard by the Division on July 12, 2018 and August 9, 2018 pertaining to offsetting lands within the same Sections 4 and 5, Township 23 South, Range 29 East, Eddy County, New Mexico. I have conducted a geologic study of the Bone Spring formation underlying Sections 4 and 5.

5. Novo is targeting the Bone Spring formation (2nd Bone Spring Sand interval) with the proposed Rana Salada Fed Com 124H well. The well will be located in the Culebra Bluff; Bone Spring, South Pool (Pool Code 15011).

6. **Exhibit No. 9** is a map view of the execution plan for the 2nd and 3rd Bone Spring Sand in the Rana Salada development block in Sections 4 and 5. The proposed wellbores are denoted by the red dashed lines, with BHL locations depicted by the red circles and SHL depicted with a red box. The proposed horizontal spacing unit for the Rana Salada Fed Com 124H well proposed in this case is depicted by the blue dashed rectangle. The horizontal spacing units proposed in Novo's Case Nos. 16282 and 16283 to be drilled in the 3rd Bone Spring are depicted by the grey outlined rectangle.

7. **Exhibit No. 10** is a subsea structure map that I prepared for the top of the 2nd Bone Spring Sand. The proposed spacing unit is depicted by the blue dashed rectangle. The contour interval is 50 feet and the proposed wellbore path for the 124H well is depicted by the red dashed line, with the BHL indicated by the red circle and the SHL depicted with a red box. Offset Bone Spring horizontal producers are indicated by blue circles at the BHL and black well paths. The

structure map shows that the area is gently dipping from West to East across the map. I do not observe any faulting, pinch-outs, or other geologic impediments or hazards to developing this targeted interval with a horizontal well.

8. **Exhibit No. 11** is a gross isopach map I prepared for the 2nd Bone Spring Sand. As in the previous map, the proposed spacing unit is depicted by the blue dashed rectangle, the proposed wellbore path is denoted by the red dashed line, the well BHL is indicated by the red circle and the SHL is depicted with a red box. Existing Bone Spring horizontal producers are indicated by blue circles with black well paths. The contour interval is 25 feet and thickness of the 2nd Bone Spring Sand interval over the Rana Salada development block ranges from approximately 325 feet to 400 feet. Also shown on the map is one line of section for cross-section I prepared to illustrate the consistent and contiguous nature of the 2nd Bone Spring Sand. The orange line (A-A') is an apparent dip section of type wells that penetrate the Bone Spring in and offsetting the Rana Salada development block.

9. **Exhibit No. 12** is a West to East dip section (A-A') illustrating the three type wells in and offsetting the Rana Salada development block (Longview Deep 31, API 30015376040000, Carthel Federal 2, API 30015233890000, and Teledyne 4 Gas Com 1, API 30015227010000) that penetrate the 2nd Bone Spring Sand with the line of section shown on the inset map. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed target interval is labeled and depicted by the green shaded box labeled "Target". The cross-section demonstrates that the targeted interval extends across the proposed spacing and proration unit (i.e. it is laterally continuous) and is consistent in thickness and log character.

10. **Exhibit No. 13** is a Type Log (Carthel Federal 2, API 30015233890000) for the Rana Salada development block illustrating the low porosity limestone barrier existing between

the 2nd and 3rd Bone Spring intervals underlying this area.

11. In my opinion, the proposed location of the well bore for the 124H well is such that the 2nd Bone Spring Lime barrier will effectively prevent communication between the 1st and 2nd Bone Spring intervals and fracs for the well proposed in this case will not extend into the 1st Bone Spring interval.

12. In my opinion, the proposed location of the well bore for the 124H well is such that the 3rd Bone Spring Lime barrier will effectively prevent communication between the 2nd and 3rd Bone Spring intervals and fracs for the well proposed in this case will not extend into the 3rd Bone Spring interval.

13. In my opinion, there is no preferential stress direction underlying the Rana Salada development area and both north-south and east-west development are acceptable, provided they allow operators to optimally develop their acreage position.

14. Based on my geologic study of the area, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and each quarter-quarter section comprising the proposed spacing and proration unit will contribute more-or-less equally to the production from the wellbore.

15. In my opinion, the granting of Novo's application will be in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

16. The Exhibits attached to this affidavit were either prepared by me or compiled under my direction and supervision.

17. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NOT.



MICHAEL HALE

STATE OF OKLAHOMA)

COUNTY OF OKLAHOMA)

SUBSCRIBED and SWORN to before me this 19th day of February 2019 by Michael Hale.



NOTARY PUBLIC

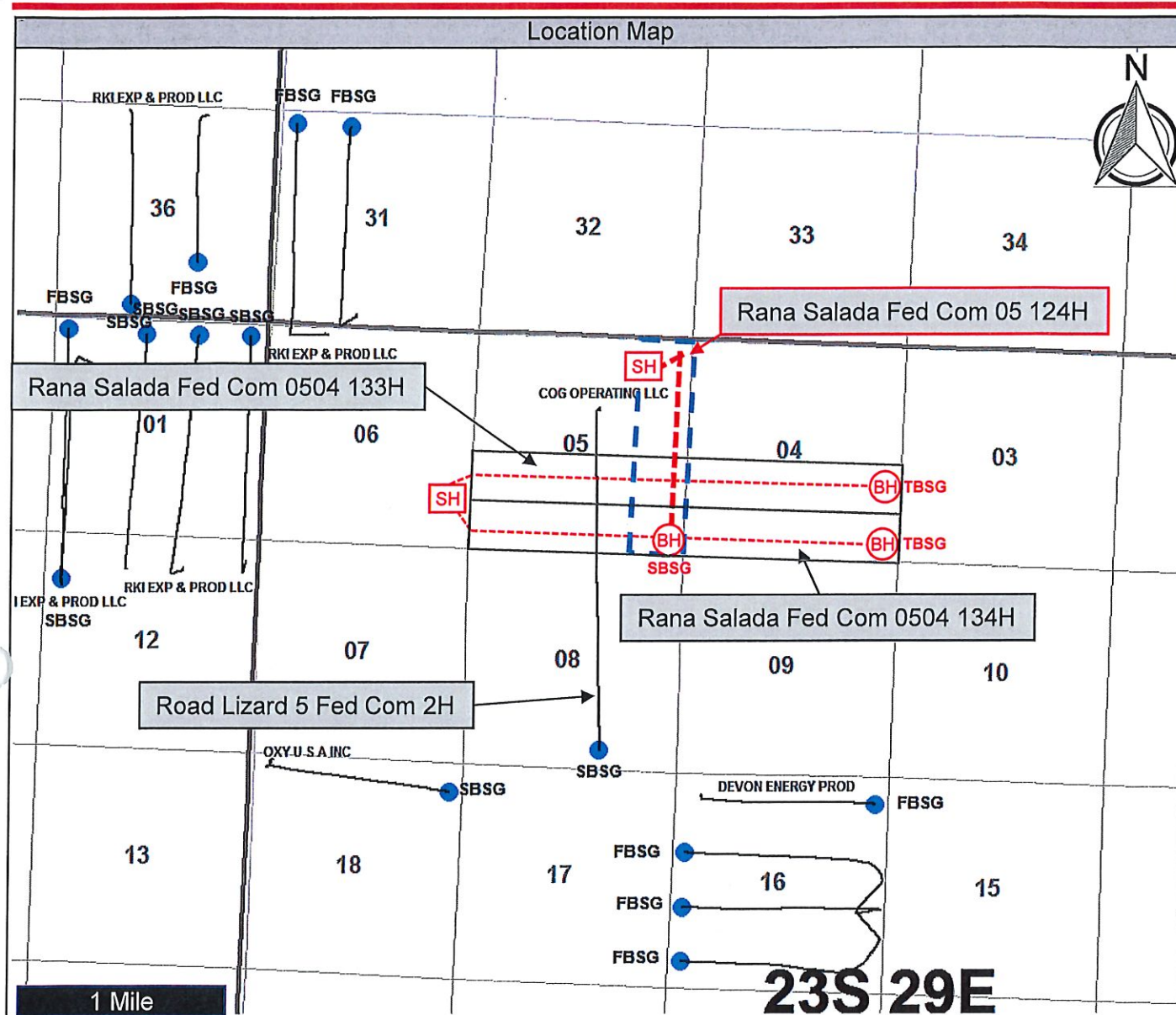
My Commission Expires:

11/15/20



Salt Lake – Bone Spring Execution Plan

3rd Bone Spring Proposed Location, Section 05-23S-29E

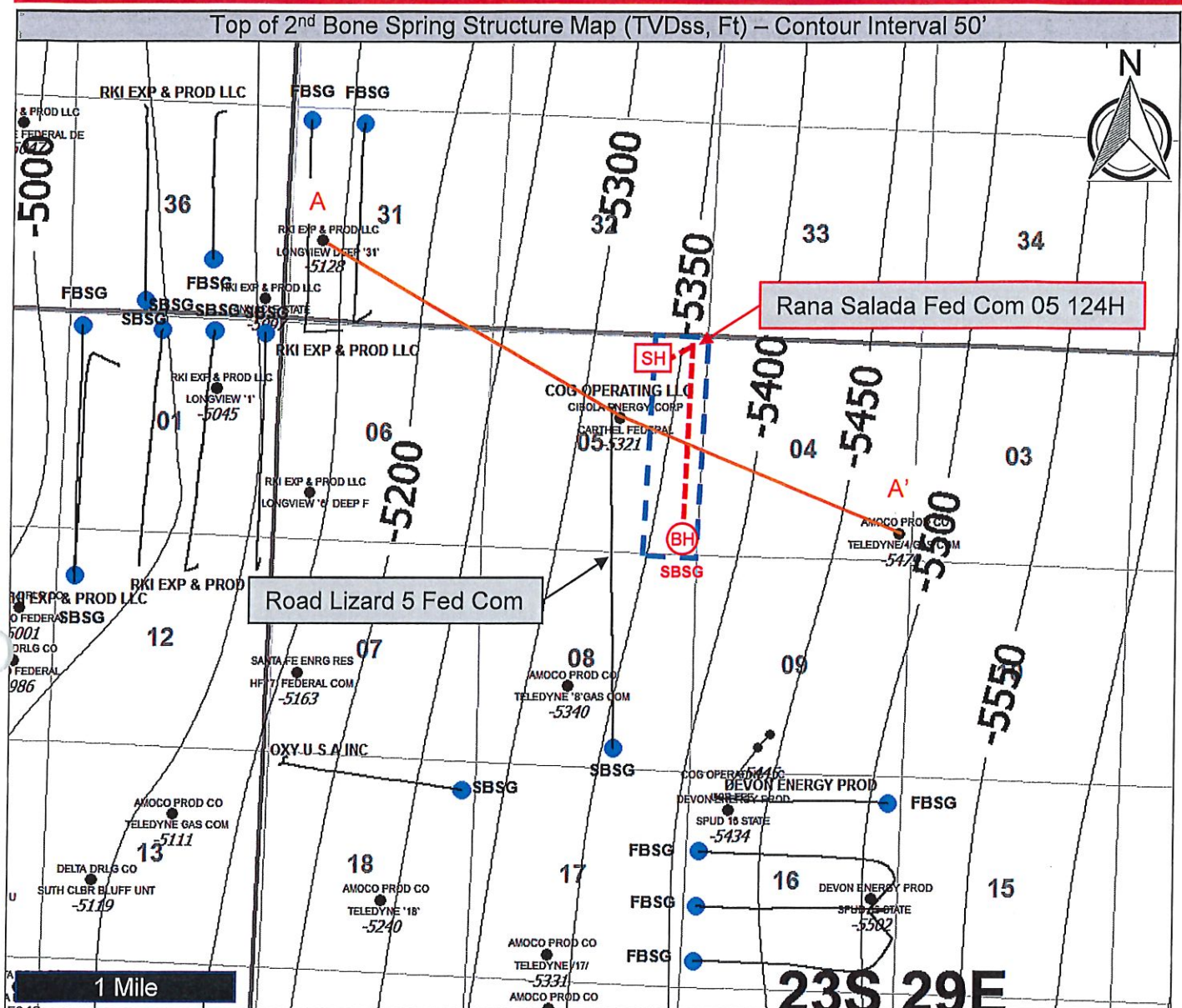


Map Legend	Hearing Details
<ul style="list-style-type: none"> Spacing Unit (160 ac.) Bone Spring Producer Surface Hole Location Novo Horizontal Location Bottom Hole Location Horizontal Landing Target 	<p>Novo Oil & Gas Northern Delaware, LLC</p> <p>Docket Number:</p> <p>Case Number: 16284</p> <p>Date: 02/21/2019</p> <p>Exhibit Number:</p>

Salt Lake – Top of 2nd Bone Spring Structure Map



2nd Bone Spring Proposed Location, Section 05-23S-29E



Map Legend

- Spacing Unit (160 ac.)
- SH Surface Hole Location
- Novo Horizontal Location
- BH Bottom Hole Location
- SBSG Horizontal Landing Target
- Bone Spring Producer Company
- Well Name
- 2nd Bone Spring Top
- Contour line – interval 50'
- A Cross Section Line — A'

Hearing Details

Novo Oil & Gas Northern Delaware, LLC

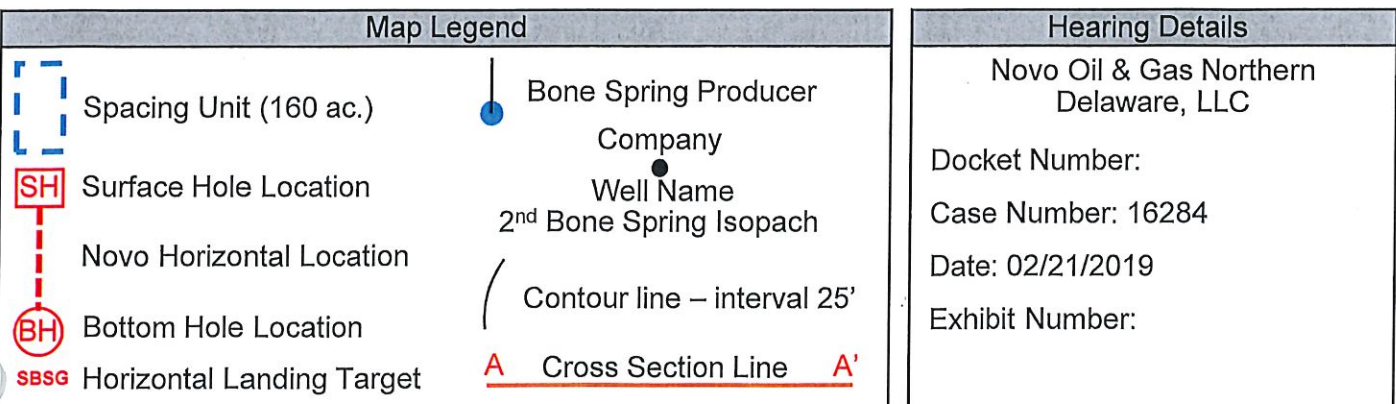
Docket Number:

Case Number: 16284

Date: 02/21/2019

Exhibit Number:

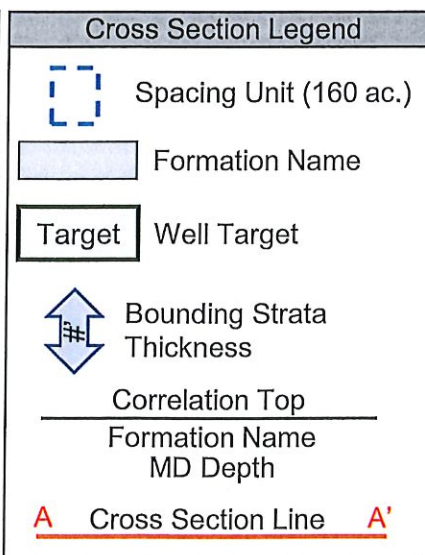
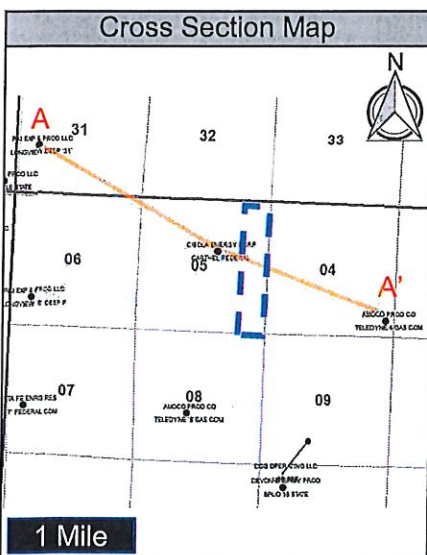
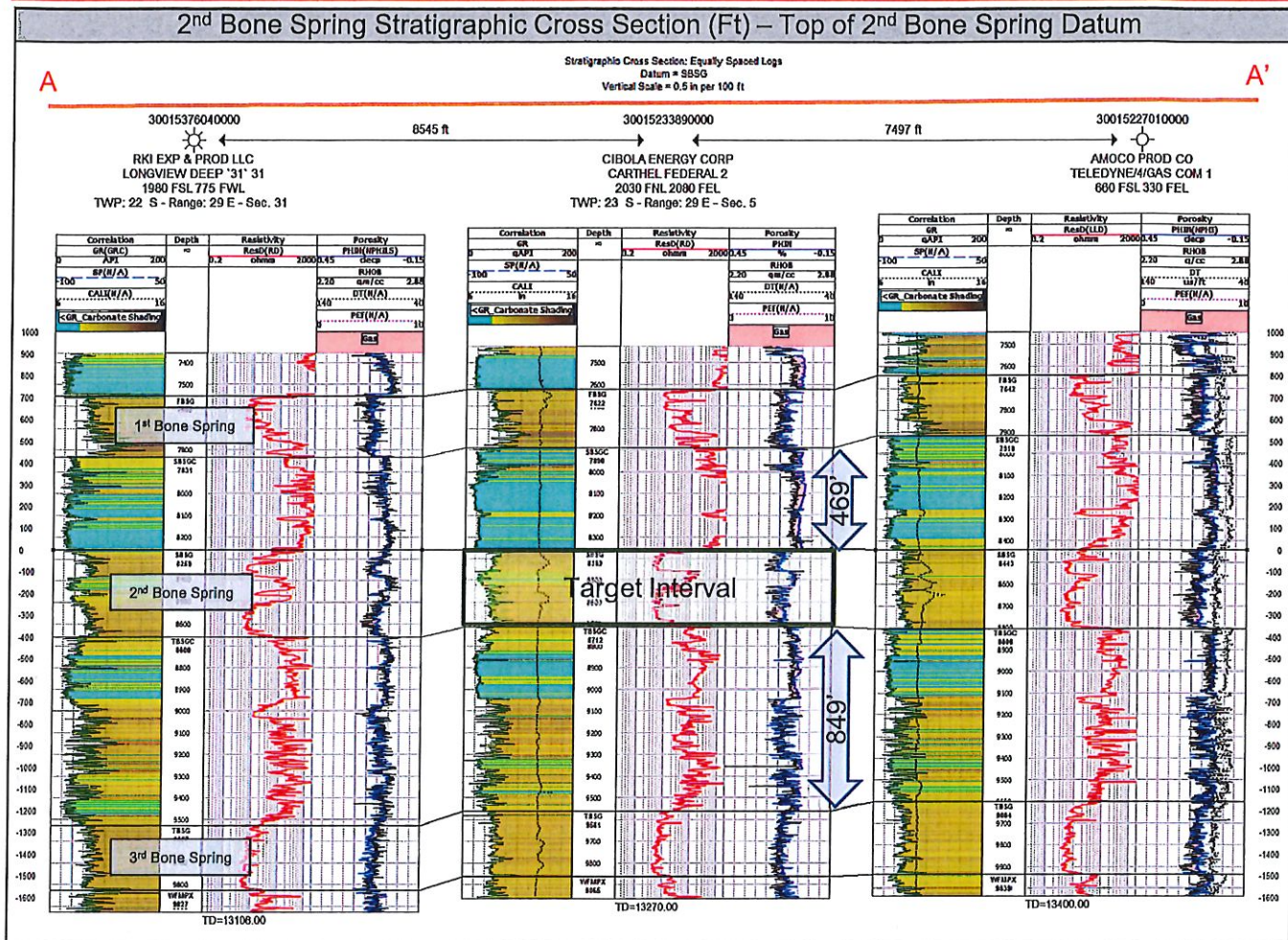
2nd Bone Spring Proposed Location, Section 05-23S-29E



Salt Lake – 2nd Bone Spring Stratigraphic Cross Section



2nd Bone Spring Proposed Location, Section 05-23S-29E



Novo Oil & Gas Northern Delaware, LLC

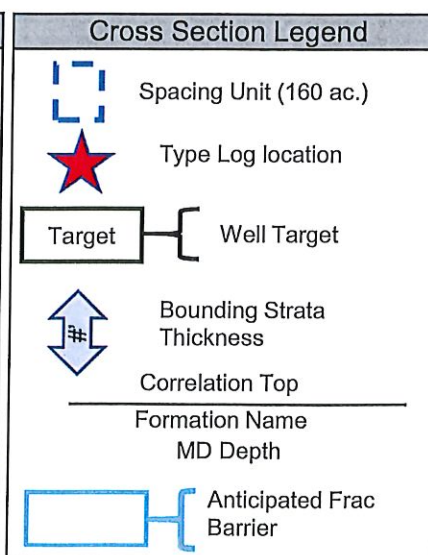
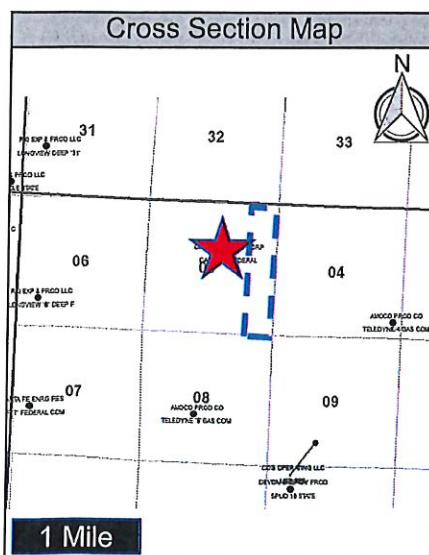
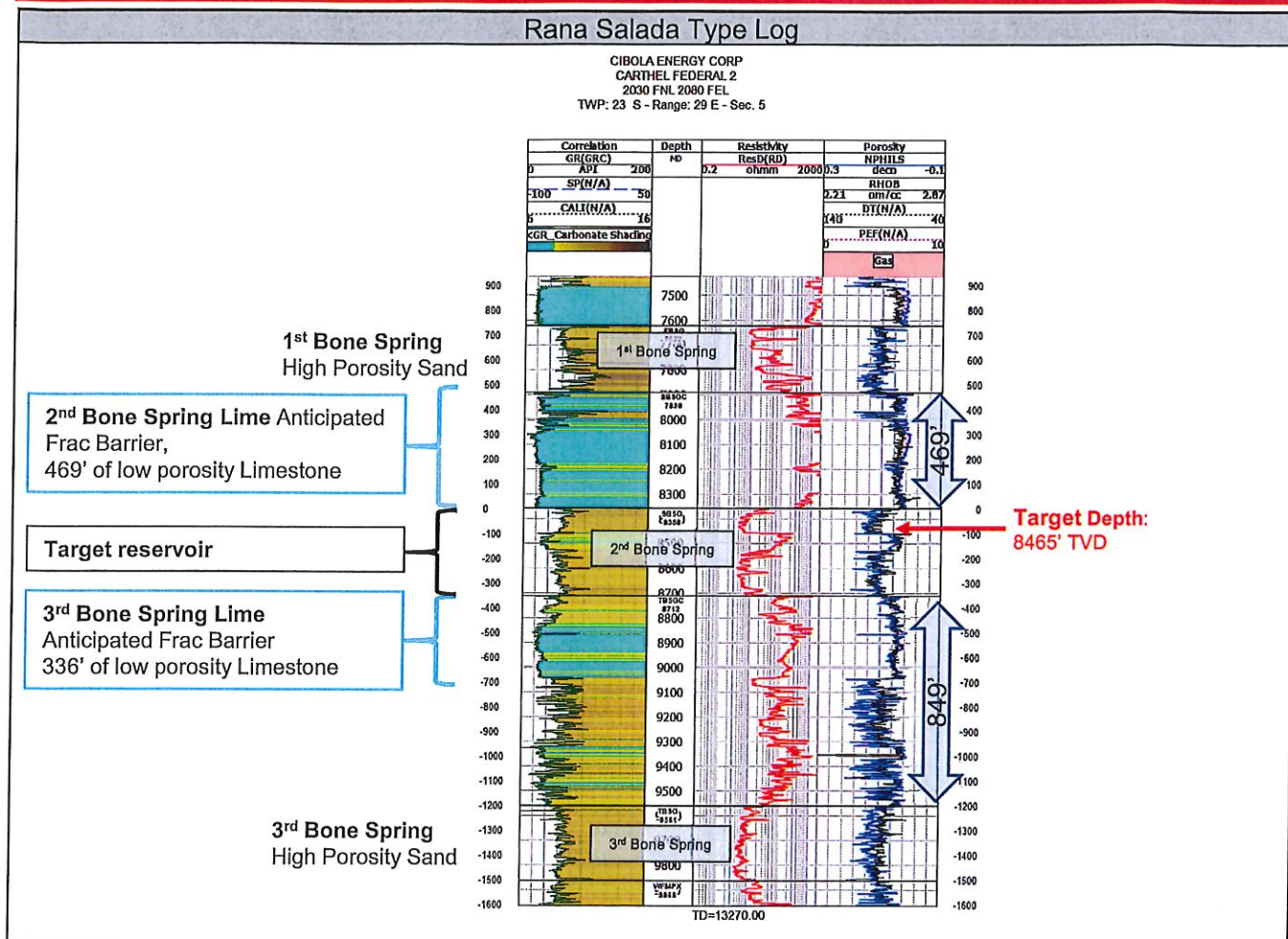
Docket Number:

Case Number: 16284

Date: 02/21/2019

Exhibit Number:

Rana Salada Development Block Type Log Frac Barriers and Target Interval



Novo Oil & Gas Northern
Delaware, LLC

Docket Number:

Case Number: 16284

Date: 02/21/2019

Exhibit Number:

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

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

CASE NO. 16284

AFFIDAVIT OF KURT SHIPLEY

Kurt Shipley, of lawful age and being first duly sworn, declares as follows:

1. My name is Kurt Shipley. I am the Vice President of Operations for Novo Oil & Gas Northern Delaware, LLC ("Novo"). My responsibilities at Novo include drilling, completion, facilities and pipeline operations and petroleum engineering duties.

2. I received a Bachelor of Science degree in Mechanical Engineering from Texas Tech University. I have worked as a petroleum engineer since 1991. Prior to working for Novo, I worked for Burlington Resources, Chesapeake Energy, LINN Energy and American Energy Partners in New Mexico, Texas and Oklahoma.

3. I am familiar with the application filed by Novo in this case. I am also familiar with the applications filed by Novo in Case Nos. 16282 and 16283 pertaining to offsetting lands initially heard July 12, 2018, and on August 9, 2018 to supplement the record. I have conducted a study of the Bone Spring formation underlying the subject acreage.

4. In this case Novo is targeting the 2nd Bone Spring Sand interval with its proposed **Rana Salada Fed Com 05 124H Well**. In Novo's related Case Nos. 16282 and 16283, Novo is targeting the 3rd Bone Spring Sand interval.

5. The stimulation design for the **Rana Salada Fed Com 05 124H** is a slickwater and sand fracture stimulation. The design is intended to control height and maximize fracture

half-length.

6. Novo's completion team expects **the Rana Salada Fed Com 05 124H** to stay contained and produce primarily from the 2nd Bone Spring Sand interval due to the following reasons:

Depth Severance justification between 1st and 2nd Bone Spring intervals:

(a) The gross height between the base of the 1st Bone Spring Sand interval and the producing 2nd Bone Spring Sand is approximately 469 ft and the conductive frac height is not expected to exceed approximately 100 ft.

(b) Stimulation models suggest that the limestone formation separating the 1st and 2nd Bone Spring Sand intervals will act to barrier and isolate these intervals; and

(c) Novo is not aware of any lasting communication effects between these zones in the immediate area.

(d) **Exhibit 14** to this Affidavit is a Type Log for the Carthel Federal 2, API 30015233890000 located in the SW/4NE/4 and W/2SE/4 of Section 5 and W/2E/2 of Section 8, Township 23 South, Range 29 East, Eddy County, New Mexico. The vertical separation between the Base of the 1st Bone Spring and the Top of the 2nd Bone Spring is 469 ft. There are 469 ft of frac barriers in between the 1st Bone Spring and the 2nd Bone Spring.

(e) **Exhibit 15** to this Affidavit is a Comparison of Vertical Separation of 1st, 2nd and 3rd Bone Spring formations and a map of the wellbores. There is 469 ft of vertical separation between the Base of the 1st Bone Spring at 7890' and the Top of the 2nd Bone Spring at 8359 ft.

Depth Severance justification between 2nd and 3rd Bone Spring intervals:

(a) The gross height between the base of the producing 2nd Bone Spring Sand interval and the producing 3rd Bone Spring Sand interval is approximately 849 ft and the conductive frac height is not expected to exceed approximately 100 ft.

- (b) The planned landing point for the proposed well is at 8465 ft.
- (c) Stimulation models suggest that the limestone barrier separating the 2nd and 3rd Bone Spring Sand intervals will act to barrier and isolate these intervals; and
- (c) Novo is not aware of any lasting communication effects between these zones in the immediate area.

(d) **Exhibit 14** to this Affidavit is a Type Log for the Carthel Federal 2, API 30015233890000 located in the SW/4NE/4 and W/2SE/4 of Section 5 and W/2E/2 of Section 8, Township 23 South, Range 29 East, Eddy County, New Mexico. The vertical separation between the Base of the 2nd Bone Spring and the Top of the 3rd Bone Spring is 849 ft. There are 336 ft of frac barriers in between the 2nd Bone Spring and the 3rd Bone Spring.

(e) **Exhibit 15** to this Affidavit is a Comparison of Vertical Separation of 1st, 2nd and 3rd Bone Spring formations and a map of the wellbores. There is 336 ft of vertical separation between the Base of the 2nd Bone Spring at 8712' and the Top of the 3rd Bone Spring at 9561'.

7. In light of the foregoing, I conclude that the 1st Bone Spring Sand interval and the 2nd Bone Spring Sand interval will be isolated from each other in the proposed horizontal spacing units and are not within hydraulic fracture communication.

8. In light of the foregoing, I conclude that the 2nd Bone Spring Sand interval and the 3rd Bone Spring Sand interval will be isolated from each other in the proposed horizontal spacing units and are not within hydraulic fracture communication.

9. In my opinion, the granting of Novo's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

10. The Exhibits to this Affidavit were prepared by me or compiled from Novo's company business records.

11. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NOT.


KURT SHIPLEY

STATE OF OKLAHOMA)

COUNTY OF OKLAHOMA)

SUBSCRIBED and SWORN to before me this 19th day of February 2019 by
Kurt Shipley.


NOTARY PUBLIC

My Commission Expires:

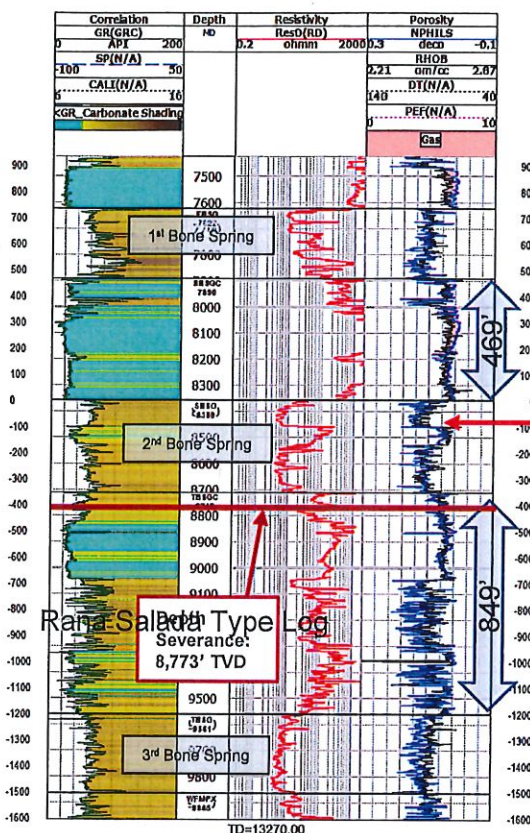
11/15/20



Rana Salada Development Block Type Log Frac Barriers and Target Interval



CIBOLA ENERGY CORP
CARTHEL FEDERAL 2
2030 FNL 2080 FEL
TWP: 23 S - Range: 29 E - Sec. 5



1st Bone Spring
High Porosity Sand

2nd Bone Spring Lime Anticipated
Frac Barrier,
469' of low porosity Limestone

Target reservoir

3rd Bone Spring Lime
Anticipated Frac Barrier
336' of low porosity Limestone

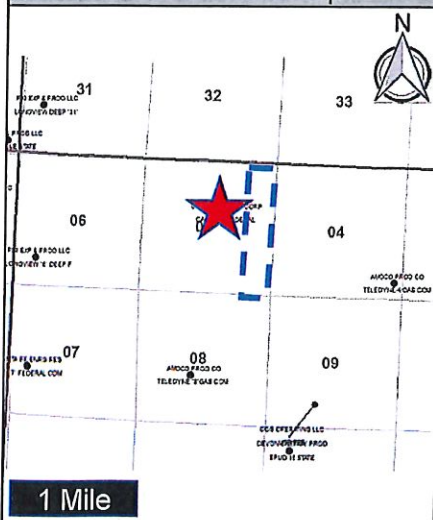
3rd Bone Spring
High Porosity Sand

Target Depth:
8465' TVD

Rana Salada Type Log
Severance:
8,773' TVD

TD=13270.00

Cross Section Map



Cross Section Legend

- Spacing Unit (160 ac.)
- Type Log location
- Target { Well Target
- Bounding Strata Thickness
- Correlation Top
- Formation Name
- MD Depth
- Anticipated Frac Barrier

Novo Oil & Gas Northern
Delaware, LLC

Docket Number:

Case Number: 16284

Date: 02/21/2019

Exhibit Number:

APPLICATION OF NOVO OIL & GAS
NORTHERN DELAWARE, LLC Case No. 16284
SHIPLEY EXHIBIT #14

Comparison of Vertical Separation of 1st, 2nd and 3rd Bone Spring
T-23-S, R-29-E, Eddy County, New Mexico

