

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

**APPLICATION OF NOVO OIL & GAS
NORTHERN DELAWARE LLC
TO AMEND ORDER R-21092,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 21549

**APPLICATION OF NOVO OIL & GAS
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TO AMEND ORDER R-21093,
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CASE NO. 21550

NOVO'S CONSOLIDATED PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Novo Oil & Gas Northern
Delaware, LLC

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

In **Case No. 21549**, Novo seeks to amend Order R-21092 to allow for a standard 635.4-acre, more or less, horizontal spacing unit comprised of the N/2 of Section 13, Township 23 South,

Range 28 East, and Lots 1-2, E/2 NW/4 and the NE/4 (N/2 equivalent) of irregular Section 18, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. Order R-21092, entered on February 12, 2020, in Case No. 20886, created a 320-acre, more or less, horizontal well spacing unit consisting of the N/2 of Section 13, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico (the “Unit”), designated Applicant as the operator of the Unit, pooled the uncommitted interests in the Bone Spring formation [Culebra Bluff; Bone Spring Pool (15011)] in the Unit, and dedicated the Unit to the proposed initial wells.

Since the entry of Order R-21092, Applicant has determined that it is prudent to include the N/2 equivalent of irregular Section 18 into this standard horizontal spacing unit to allow for the drilling of 2-mile wells. As provided in Order R-21092, Applicant seeks to dedicate the above-referenced horizontal spacing unit to these proposed initial wells:

- The **Ovation Fed Com 1318 #131H Well** (API No. pending) to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, T23S, R28E, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 18;
- The **Ovation Fed Com 1318 #132H Well** (API No. pending) to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, T23S, R28E, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 18; and
- The **Ovation Fed Com 1318 #135H Well** (API No. pending) to be horizontally drilled from a surface location in the E/2 NE/4 of Section 14, T23S, R28E, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 18.

The completed interval for the **Ovation Fed Com 1318 #132H Well** will remain within 330 feet of the N/2 N/2 of Sections 13 and 18 to allow inclusion of these proximity tracts in a standard 635.4-acre horizontal well spacing comprised of the N/2 of Sections 13 and 18

In **Case No. 21550**, Novo seeks to amend Order R-21093 to allow for a standard 635.4-acre, more or less, horizontal spacing unit comprised of the N/2 of Section 13, Township 23 South, Range 28 East, and Lots 1-2, E/2 NW/4 and the NE/4 (N/2 equivalent) of irregular Section 18, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. Order R-21093, entered on February 12, 2020, in Case No. 20887, created a 320-acre, more or less, horizontal well spacing unit consisting of the N/2 of Section 13, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico (the “Unit”), designated Applicant as the operator of the Unit, pooled the uncommitted interests in the Wolfcamp formation [Purple Sage; Wolfcamp (Gas) Pool (98220)] in the Unit, and dedicated the Unit to the proposed initial wells.

Since the entry of Order R-21093, Applicant has determined that it is prudent to include the N/2 equivalent of irregular Section 18 into this standard spacing unit to allow for the drilling of 2-mile horizontal wells. As provided in Order R-21093, Applicant seeks to dedicate this horizontal spacing unit to these proposed initial wells:

- The **Ovation Fed Com 1318 #211H Well** (API No. pending), the **Ovation Fed Com 1318 #212H Well** (API No. pending), the **Ovation Fed Com 1318 #221H Well** (API No. pending), the **Ovation Fed Com 1318 #231H Well** (API No. pending), and the **Ovation Fed Com 1318 #232H Well** (API No. pending), each will be horizontally drilled from a common surface location in the NE/4 NE/4

(Unit A) of Section 14, T23S, R28E, to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 18;

- The **Ovation Fed Com 1318 #222H Well** (API No. pending) to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, T23S, R28E, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 18; and
- The **Ovation Fed Com 1318 #215H Well** (API No. pending), the **Ovation Fed Com 1318 #225H Well** (API No. pending), and the **Ovation Fed Com 1318 #235H Well** (API No. pending), which will be horizontally drilled from a common surface location in the E/2 NE/4 of Section 14, T23S, R28E, to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 18.

APPLICANT’S PROPOSED EVIDENCE

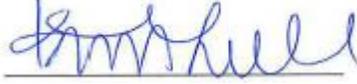
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Brandon Patrick, Landman	Affidavit	Approx. 8
Michael Hale, Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

Novo respectfully requests that these cases be consolidated for hearing. If unopposed at the time of hearing, Novo intends to present these cases by affidavits.

Respectfully submitted,

HOLLAND & HARTILL



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