

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NOS: 21549, 21550

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

DECEMBER 17, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER FELICIA ORTH and TECHNICAL EXAMINER JOHN GARCIA on December 17, 2020, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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A P P E A R A N C E S

For the Applicant:

KAITLYN LUCK
HOLLAND & HART
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Santa Fe, NM 87501
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1 HEARING EXAMINER ORTH: Let's move to a couple of
2 affidavit cases, 21549 and 21550. The applicant is Novo Oil
3 and Gas. These applications seek to amend orders earlier
4 issued. The well name is Ovation Fed Com. Who is here from
5 Holland & Hart for the applicant?

6 MS. LUCK: Good morning, Madam Examiner. Kaitlyn
7 Luck with the Santa Fe office of Holland & Hart on behalf of
8 the applicant in this case Novo Oil & Gas Northern Delaware
9 LLC.

10 HEARING EXAMINER ORTH: Good morning, Ms. Luck.
11 I didn't see any other entry of appearance in the file, but
12 let me pause for a moment to see if there are any other
13 entries this morning.

14 (No audible response.)

15 HEARING EXAMINER ORTH: I don't hear anything.
16 If you would go ahead, please, Ms. Luck.

17 MS. LUCK: Thank you. These cases were
18 originally brought to hearing in front of the Division on
19 December 3, and as reflected in the affidavit of Braden
20 Patrick which was included as Exhibit C to the hearing
21 packet for these two cases, Novo recently discovered
22 additional overriding royalty interest owners in the spacing
23 unit that require pooling. And for that reason, Novo
24 requested to continue these cases to the provide notice to
25 those overriding royalty interest owners.

1 So on Tuesday Novo filed with the Division its
2 Novo Exhibit E-1 which reflects that notice of this hearing
3 was provided to those additional overriding royalty interest
4 owners that Novo seeks to pool into these two orders.

5 And with that, I would move the the admission of
6 Novo Exhibit E-1 and request that both of these cases be
7 taken under advisement at this time.

8 HEARING EXAMINER ORTH: Thank you, Ms. Luck.

9 Mr. Garcia, do you have questions of Ms. Luck.

10 TECHNICAL EXAMINER GARCIA: So Case 21549 and
11 21550, they are being extended, Ms. Luck, into the N/2 of
12 Section 13; is that correct?

13 MS. LUCK: I think it's actually into the N/2 of
14 Section 18. These were originally just one mile spacing
15 units in the N/2 of Section 13, so now we are seeking to
16 extend into Section 18.

17 TECHNICAL EXAMINER GARCIA: Is there any previous
18 orders or anything from the Division regarding -- regarding
19 the new land?

20 MS. LUCK: I don't think that there is other
21 pooling orders that overlap that acreage. Novo was unable
22 to reach an agreement with the interest owners or the
23 interest owner in that acreage, and that's why Novo seeks to
24 pool that additional N/2 section so that Novo can drill two
25 mile wells.

1 TECHNICAL EXAMINER GARCIA: That's all the
2 questions I have.

3 HEARING EXAMINER ORTH: Thank you, Mr. Garcia.
4 Thank you, Ms. Luck. Your exhibits are admitted and these
5 two matters will be taken under advisement.

6 MS. LUCK: Thank you.

7 (Exhibits admitted.)

8 (Taken under advisement.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court
7 Reporter, CCR 253, do hereby certify that I reported the
8 foregoing virtual proceedings in stenographic shorthand and
9 that the foregoing pages are a true and correct transcript
10 of those proceedings to the best of my ability.

11 I FURTHER CERTIFY that I am neither employed by
12 nor related to any of the parties or attorneys in this case
13 and that I have no interest in the final disposition of this
14 case.

15 I FURTHER CERTIFY that the Virtual Proceeding was
16 of poor to good quality.

17 Dated this 17th day of December 2020.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-20

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