

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
NOVO OIL & GAS NORTHERN DELAWARE, LLC**

**CASE NO. 21712  
ORDER NO. R-20578-B**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on March 4, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Novo Oil & Gas Northern Delaware, LLC (“Operator”), submitted an application (“Application”) seeking to add an additional initial well to Order R-20578.
2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
3. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

4. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
5. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
6. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

**ORDER**

7. Order R-20578 is hereby amended to include the additional initial well described in Exhibit “A,” attached hereto and incorporated by reference herein. The period to commence drilling operations terminates May 31, 2021, as established by R-20578-A.
8. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-20578 for good cause shown.
9. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

10. The remaining provisions of Order R-20578 remain in force or effect.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**  
AES/kms

**Date:** 3/15/2021

**Exhibit "A"**

<b>COMPULSORY POOLING APPLICATION CHECKLIST (pdf)</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 21712</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: March 4, 2021</b>	
Applicant	Novo Oil & Gas Northern Delaware, LLC
Designated Operator & OGRID (affiliation if applicable)	<b>372920</b>
Applicant's Counsel:	Holland & Hart, LLP
Case Title	Application of Novo Oil & Gas Northern Delaware, to Amend Order R-20578, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	<b>Goonch Fed Com 04 wells</b>
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp formation
Pool Names and Pool Codes:	Purple Sage; Wolfcamp (Gas) Pool (Pool code 9822)
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	320-acres, more or less
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres, more or less
Building Blocks:	Half sections
Orientation:	North/South
Description: TRS/County	W/2 of Section 4, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico
	<p align="center"> <b>BEFORE THE OIL CONSERVATION DIVISION</b>                      Santa Fe, New Mexico                      Exhibit No. E                      Submitted by: Novo Oil &amp; Gas Northern Delaware, LLC                      Hearing Date: March 04, 2021                      Case No. 21712                 </p>
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Case No. 20184, Exhibit 1B

<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	<p><b>Goonch Fed Com 04 well #211H</b> (API No. 30-015-47054)  SHL:1135 feet from the South line and 980 feet from the West line, (U M) of Section 4, Township 23 South, Range 28 East, NMPM.  BHL:250 feet from the North line and 330 feet from the West line, (Unit D) of Section 4, Township 23 South, Range 29 East, NMPM.</p> <p>Completion Target: Wolfcamp  Well Orientation:South to North  Completion Location expected to be:standard</p>
Well #2	<p><b>Goonch Fed Com 04 well #235H</b> (API No. 30-015-47280)  SHL:546 feet from the North line and 1531 feet from the West line, (Lc of Section 4, Township 23 South, Range 28 East, NMPM.  BHL:130 feet from the South line and 2178 feet from the West line, (U N) of Section 4, Township 23 South, Range 29 East, NMPM.</p> <p>Completion Target: Wolfcamp  Well Orientation:North to South  Completion Location expected to be:standard</p>
Horizontal Well First and Last Take Points	Exhibit B-1 & Case No. 20184 Exhibit 1B
Completion Target (Formation, TVD and MD)	See above, Case No. 20184 Exhibit 2
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit B-2
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Case No. 20184 Exhibit 1B
Tract List (including lease numbers and owners)	Case No. 20184 Exhibit 1B

Pooled Parties (including ownership type)	Exhibit B-2, B-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit B-2
List of Interest Owners (ie Exhibit A of JOA)	Case No. 20184 Exhibit 1B
Chronology of Contact with Non-Joined Working Interests	Exhibit B-3
Overhead Rates In Proposal Letter	Exhibit B-2
Cost Estimate to Drill and Complete	Exhibit B-2
Cost Estimate to Equip Well	Exhibit B-2
Cost Estimate for Production Facilities	Exhibit B-2
<b>Geology</b>	
Summary (including special considerations)	Case No. 20184 Exhibit 2
Spacing Unit Schematic	Case No. 20184 Exhibit 2
Gunbarrel/Lateral Trajectory Schematic	Case No. 20184 Exhibit 2
Well Orientation (with rationale)	Case No. 20184 Exhibit 2
Target Formation	Case No. 20184 Exhibit 2
HSU Cross Section	Case No. 20184 Exhibit 2
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit B-1
Tracts	Case No. 20184 Exhibit 1B
Summary of Interests, Unit Recapitulation (Tracts)	Case No. 20184 Exhibit 1B
General Location Map (including basin)	Case No. 20184 Exhibit 2B
Well Bore Location Map	Case No. 20184 Exhibit 2B
Structure Contour Map - Subsea Depth	Case No. 20184 Exhibit 2
Cross Section Location Map (including wells)	Case No. 20184 Exhibit 2
Cross Section (including Landing Zone)	Case No. 20184 Exhibit 2
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	
Date:	1-Mar-21