

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

AMENDED APPLICATION

NOVO Oil & Gas Northern Delaware, LLC ("NOVO"), through its undersigned attorneys, hereby files this amended application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. §70-2-17, for 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. In support of its application, NOVO states:

1. NOVO (OGRID 372920) is a wholly owned subsidiary of Novo Oil & Gas, LLC, a working interest owner in the subject acreage, and has the right to drill thereon.
2. NOVO proposes to dedicate the above-referenced spacing and proration unit as the 160.36 acre standard horizontal spacing and proration unit for the **Rana Salada Fed Com 5 23S 29E 2B #1H well** which will be horizontally drilled in the Culebra Bluff; Bone Spring, South Pool (15011) 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.
3. This well will be pad-drilled sequentially and batch completed with other wells which are the subject of separate Applications filed by NOVO currently pending before the Division.

4. The completed interval will be orthodox.
5. NOVO has sought and has been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.
6. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.
7. As the proposed well will be simultaneously drilled and batch completed with other adjacent wells, NOVO requests an extension of the 120-day time period to drill and complete the wells provided by the standard pooling order.
8. In order to permit NOVO to obtain it's just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in this standard horizontal spacing and proration unit should be pooled and NOVO Oil & Gas Northern Delaware, LLC should be designated the operator of this proposed horizontal well and spacing unit.
9. Notice of this application is being given in accordance with Division rules.

**WHEREFORE**, NOVO requests that this application, as amended, be heard before an Examiner at the hearing to be held August 23, 2018, and, further, after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Bone Spring formation underlying Lot 1 (NE/4NE/4), SE/4NE/4, and E/2 SE/4 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico;

B. Dedicating the **Rana Salada Fed Com 5 23S 29E 2B #1H well** to the standard horizontal spacing and proration unit for the Bone Spring formation comprised of Lot 1 (NE/4NE/4), SE/4NE/4, and E/2 SE/4 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico;

- C. Providing an extension of the 120-day requirement to drill and complete the well;
- F. Designating NOVO Oil & Gas Northern Delaware, LLC operator of this standard horizontal spacing and proration unit and the horizontal well to be drilled thereon;
- G. Authorizing NOVO to recover its costs of drilling, equipping and completing this well;
- H. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- I. Imposing 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.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: 

Candace Callahan

500 Don Gaspar Avenue

Santa Fe, New Mexico 87505

(505) 983-8545 or (505) 983-8765 (direct)

(800) 886-6566 (fax)

[ccallahan@bwenergylaw.com](mailto:ccallahan@bwenergylaw.com)

ATTORNEYS FOR NOVO OIL & GAS  
NORTHERN DELAWARE, LLC

### PROPOSED ADVERTISEMENT

**Case No. 16284: Amended Application of Novo Oil & Gas Northern Delaware, LLC, a 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 interest 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 5 23S 29E 2B #1H 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.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on July 17, 2018.

Michael H. Feldewert  
Jordan L. Kessler  
Adam G. Rankin  
Julia Broggi  
Holland & Hart, LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Tel (505) 988-4421p  
[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)  
[jkessler@hollandhart.com](mailto:jkessler@hollandhart.com)  
[agrarkin@hollandhart.com](mailto:agrarkin@hollandhart.com)  
[jbroggi@hollandhart.com](mailto:jbroggi@hollandhart.com)

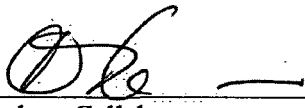
*Attorneys for BTA Oil Producers*

Earl E. DeBrine, Jr.  
Jennifer I. Bradfute  
Deana M. Bennett  
Modrall, Sperling, Roehl, Harris & Sisk, P.A.  
P. O. Box 2168  
Bank of America Centre  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
(505) 848-1800  
[edbrine@modrall.com](mailto:edbrine@modrall.com)  
[Jennifer.bradfute@modrall.com](mailto:Jennifer.bradfute@modrall.com)  
[dmb@modrall.com](mailto:dmb@modrall.com)

*Attorneys for Marathon Oil Permian LLC*

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
Tel (505) 982-2043  
[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

*Attorney for TDY Industries, LLC*

  
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Candace Callahan