

Revised March 23, 2017

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|-----------|-----------|-------|---------|
| RECEIVED: | REVIEWER: | TYPE: | APP NO: |
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Titus Oil & Gas Production, LLC**OGRID Number:** 373986**Well Name:** Wild Salsa Federal Com Central Tank Battery**API:** See Attached Well List**Pool:** Diamondtail; Bone Spring & WC-025 G-09 S223332A; UPR Wolfcamp**Pool Code:** 17644 & 98177

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC☒ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete☐ Application
Content
Complete

- 3) CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Ryan DeLong

Print or Type Name

Signature

1/20/22

Date

(817) 852-6370

Phone Number

rdelong@titusoil.com

e-mail Address

Submit 1 Copy To Appropriate District Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised July 18, 2013

| | |
|--|--|
| WELL API NO. See Attached Well List | |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> | |
| 6. State Oil & Gas Lease No. N/A: Federal Leases | |
| 7. Lease Name or Unit Agreement Name Wild Salsa Federal Com | |
| 8. Well Number See Attached | |
| 9. OGRID Number 373986 | |
| 10. Pool name or Wildcat Diamondtail; Bone Spring (17644) & WC-025 G-09 S223332A; UPR Wolfcamp (98177) | |

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
 Titus Oil & Gas Production, LLC

3. Address of Operator
 420 Throckmorton St., #1150, Fort Worth, TX 76102

4. Well Location
 Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line
 Section 13 & 24 Township 23 South Range 32 East NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐
 CLOSED-LOOP SYSTEM ☐
 OTHER: Pool/Lease Surface Commingling ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐
 OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Pursuant to the provisions of Rule 19.15.12.10, Titus Oil & Gas Production, LLC ("Titus") respectfully requests authorization to surface commingle oil and gas production from the Diamondtail; Bone Spring (17644) and WC-025 G-09S223332A; UPR Wolfcamp (98177) Pools underlying portions of Federal Leases No. NMLC0063228, NMNM0536344 and NMNM140718. In support of this application, the following information and/or attachments are submitted:

- A plat showing the proposed commingled area comprising the E/2 of Sections 13 & 24, T-23 South, R-32 East, NMPM, Lea County, New Mexico, and the 3 Federal Leases encompassing that area. Also shown is the proposed location of the central tank battery, to be located in the NW/4 NE/4 of Section 25, T-23S, R-32E on Federal Lease No. NMLC-0063228. Additional information regarding the commingled area is summarized as follows:
 - The commingled area is communitized by virtue of two separate Federal Com agreements, one for the Bone Spring formation and one for the Wolfcamp formation, which have been executed by the working interest owners, namely Titus, ConocoPhillips Company and CM Resources, LLC;
 - The subject Federal Com agreements are currently pending BLM approval. Copies of the Federal Com agreements are available if requested by the OCD;
 - Pursuant to the Federal Com agreements, production within the commingled area will be allocated on the basis of acreage;
 - Within the commingled area, there are three working interest owners, common Federal royalty, and there are overriding royalty interest owners within 2 of the 3 Federal leases. By virtue of the two Federal Com agreements, Titus believes that interest ownership is therefore common within the commingled area;
- A list of wells to be commingled, including API Nos., Surface Locations, Producing Pools and API Gravity and BTU data. All wells will be horizontally drilled 2-miles to effectively drain the commingled area;
- A schematic diagram of the proposed commingling facility;
- A description of the method used to allocate production to each of the commingled wells, a description of the method used to allocate production revenue within the commingled area, and estimated production data from each of the commingled formations;
- The oil gravity and BTU of each of the commingled Bone Spring and Wolfcamp streams is such that there will be no reduction in value of the commingled production as a result of commingling;
- A statement by Titus that certifies that by virtue of the Federal Com agreements, interest ownership within the commingled area is common throughout, and
- A formal application for surface commingling has been submitted to the BLM for approval.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

TITLE Regulatory Manager

DATE 1/20/2022

Type or print name Ryan DeLong

E-mail address: rdelong@titusoil.com

PHONE: (817) 852-6370

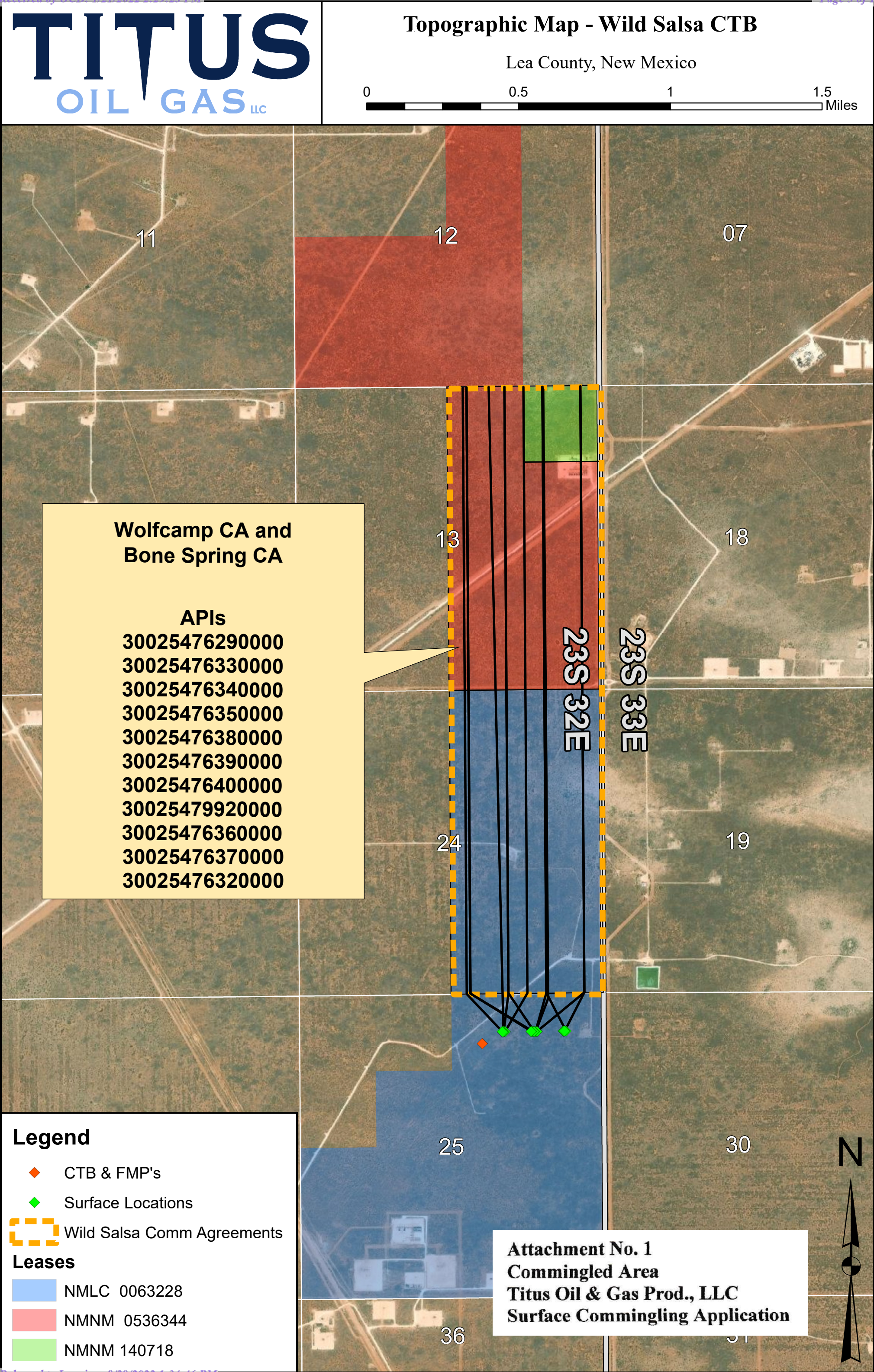
For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):



APPLICATION FOR CENTRAL TANK BATTERY

PROPOSAL FOR: WILD SALSA CTB

Titus Oil & Gas Production, LLC is requesting approval for Surface Commingle for the following wells:

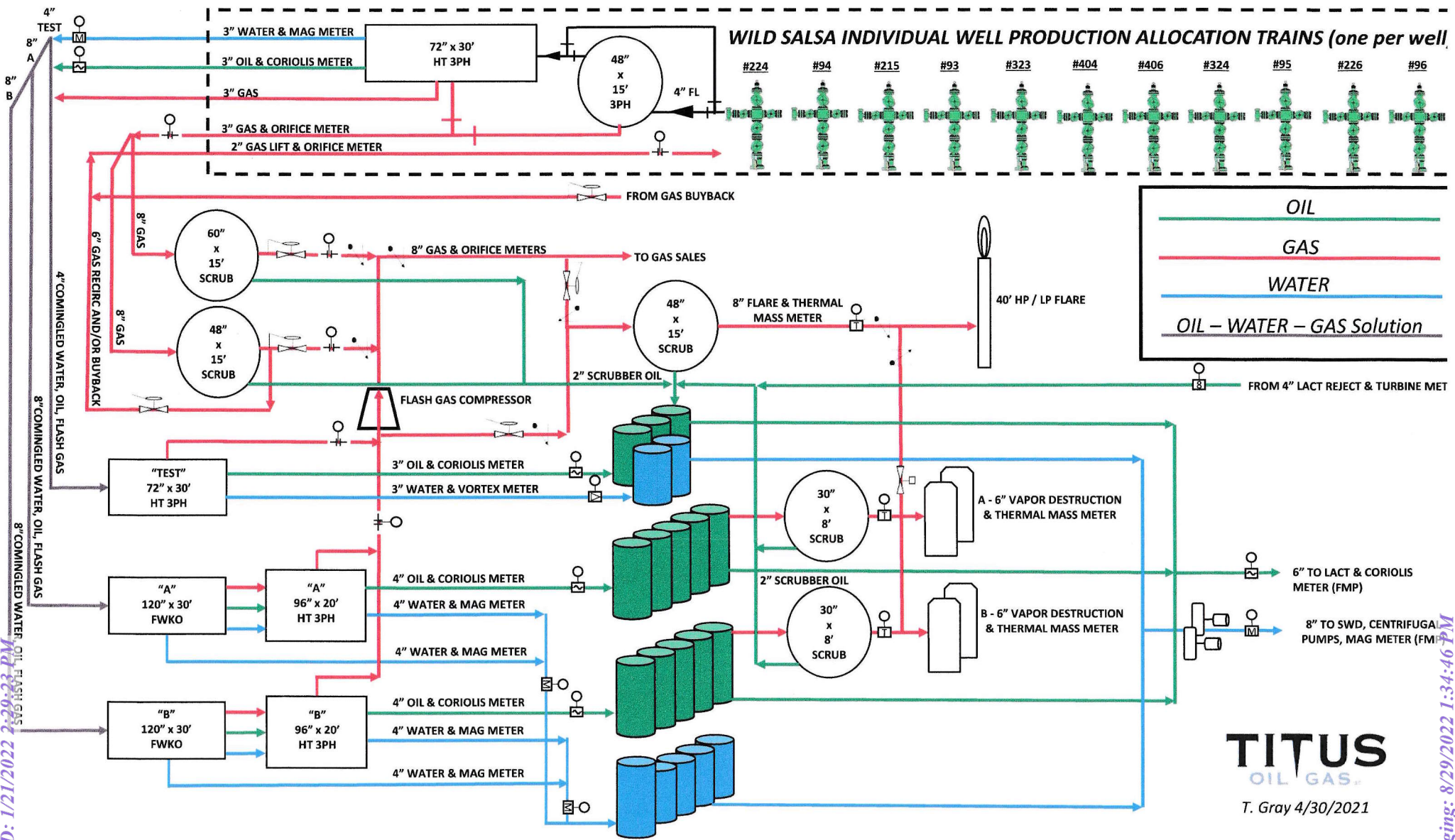
Leases: NMLC0063228, NMNM0536344, & NMNM140718

| Well Name | SHL Location | API | Pool | OG | BTU |
|-------------------------|--------------------|--------------|------------------------------------|--------------|--------------------------|
| Wild Salsa Fed Com 093H | A, Sec 25, 23S-32E | 30-025-47639 | Diamondtail; Bone Spring | 45.5° @ 109F | 1190 BTU/ft ³ |
| Wild Salsa Fed Com 323H | A, Sec 25, 23S-32E | 30-025-47637 | Diamondtail; Bone Spring | 49.0° @ 105F | 1305 BTU/ft ³ |
| Wild Salsa Fed Com 404H | A, Sec 25, 23S-32E | 30-025-47640 | WC-025 G-09 S223332A; UPR Wolfcamp | 49.8° @ 109F | 1350 BTU/ft ³ |
| Wild Salsa Fed Com 324H | A, Sec 25, 23S-32E | 30-025-47638 | Diamondtail; Bone Spring | 49.0° @ 105F | 1340 BTU/ft ³ |
| Wild Salsa Fed Com 406H | A, Sec 25, 23S-32E | 30-025-47992 | WC-025 G-09 S223332A; UPR Wolfcamp | 48.0° @ 105F | 1357 BTU/ft ³ |
| Wild Salsa Fed Com 224H | B, Sec 25, 23S-32E | 30-025-47632 | Diamondtail; Bone Spring | 47.5° @ 105F | 1250 BTU/ft ³ |
| Wild Salsa Fed Com 094H | B, Sec 25, 23S-32E | 30-025-47635 | Diamondtail; Bone Spring | 45.5° @ 109F | 1190 BTU/ft ³ |
| Wild Salsa Fed Com 215H | B, Sec 25, 23S-32E | 30-025-47629 | Diamondtail; Bone Spring | 47.5° @ 105F | 1250 BTU/ft ³ |
| Wild Salsa Fed Com 095H | A, Sec 25, 23S-32E | 30-025-47633 | Diamondtail; Bone Spring | 45.5° @ 109F | 1190 BTU/ft ³ |
| Wild Salsa Fed Com 226H | A, Sec 25, 23S-32E | 30-025-47636 | Diamondtail; Bone Spring | 47.5° @ 105F | 1250 BTU/ft ³ |
| Wild Salsa Fed Com 096H | A, Sec 25, 23S-32E | 30-025-47634 | Diamondtail; Bone Spring | 45.5° @ 109F | 1190 BTU/ft ³ |

LEASE INFORMATION

| NMLC0063228, NMNM0536344, & NMNM140718 - All at 12.5% | | | | |
|---|--------------------|--------------|------------------------------------|--|
| Wild Salsa Fed Com 093H | A, Sec 25, 23S-32E | 30-025-47639 | Diamondtail; Bone Spring | |
| Wild Salsa Fed Com 323H | A, Sec 25, 23S-32E | 30-025-47637 | Diamondtail; Bone Spring | |
| Wild Salsa Fed Com 404H | A, Sec 25, 23S-32E | 30-025-47640 | WC-025 G-09 S223332A; UPR Wolfcamp | |
| Wild Salsa Fed Com 324H | A, Sec 25, 23S-32E | 30-025-47638 | Diamondtail; Bone Spring | |
| Wild Salsa Fed Com 406H | A, Sec 25, 23S-32E | 30-025-47992 | WC-025 G-09 S223332A; UPR Wolfcamp | |
| Wild Salsa Fed Com 224H | B, Sec 25, 23S-32E | 30-025-47632 | Diamondtail; Bone Spring | |
| Wild Salsa Fed Com 094H | B, Sec 25, 23S-32E | 30-025-47635 | Diamondtail; Bone Spring | |
| Wild Salsa Fed Com 215H | B, Sec 25, 23S-32E | 30-025-47629 | Diamondtail; Bone Spring | |
| Wild Salsa Fed Com 095H | A, Sec 25, 23S-32E | 30-025-47633 | Diamondtail; Bone Spring | |
| Wild Salsa Fed Com 226H | A, Sec 25, 23S-32E | 30-025-47636 | Diamondtail; Bone Spring | |
| Wild Salsa Fed Com 096H | A, Sec 25, 23S-32E | 30-025-47634 | Diamondtail; Bone Spring | |

Attachment No. 2
Well List
Titus Oil & Gas Prod., LLC
Surface Commingling Application



TITUS
OIL GAS
T. Gray 4/30/2021

Attachment No. 3
Schematic Diagram
Titus Oil & Gas Prod., LLC
Surface Commingling Application

Oil & Gas Metering Procedure: Wild Salsa Federal Com Commingled Area

For the purpose of allocating and reporting production from each of the commingled wells, the following equipment and procedure will be utilized:

Gas Measurement: 3 phase flow is routed from each well to a dedicated vertical separator. Free gas is separated, measured (with an independent, designated orifice meter for allocation), then comingled into one of two gas streams. The commingled gas is then sent to one of two scrubbers to condition gas, measured again downstream of the scrubber and then routed to sales.

Oil and Water Measurement: Residual Oil and Water from the dedicated vertical separator is routed to a heater treater where Oil and Water are separated, metered measured with an independent, designated Coriolis Meter for Oil allocation and Mag meter for Water allocation, then comingled and sent to one of two Free Water Knock Out (FWKO) and bulk heater treater trains (Final Separation Trains). After the Final Separation Trains, Oil and Water are separated, metered again. Oil is then sent the Oil tanks (including level sensors) and Water flows into a gun barrel, and into one of the produced Water tanks (with level sensors). The water from the final separation train then flows into a gun barrel, and into one of the produced water tanks.

Low Pressure Gas: The remaining gas from the FWKO/bulk heater treater trains and the test train is collected, compressed, and combined back into the gas line (via low pressure gas compressor) and flows through an orifice meter for the purpose of gas sales/FMP/Royalty Payment.

Test Train: Titus has 3 phase heater treater train in addition to the 2 main production lines. This will act as a redundant production train to maintain continuous measurement in the event of a maintenance issue or measurement discrepancy at the well site facility. This will also act as a secondary calibration of measurement.

Storage: The central tank battery will have 10 oil tanks, 1 water gun barrel, and 4 water tanks. The Test Train will also have separate 3 oil tanks and 2 water tanks. All wells will have 1 common gas delivery point on location. They will also share 1 common oil delivery point (LACT) on location.

Allocation: The total of all oil sales meters will be allocated to each well based on the oil allocation meter located downstream of each well's heater treater. Titus will continue to operate and maintain the Coriolis Meter per BLM applicable regulations. The total of all gas sales meters will be allocated to each well based on the gas allocation meter, located downstream of each well's vertical separator, and the low-pressure gas compressor meter. The low-pressure gas compressor meter will be allocated to each well based on oil allocation meter of each well. Gas Lift Supply gas and buyback gas will be metered with a designated orifice meter for each stream and allocated according to each individual injection orifice meter on each well prior to compression and injection. The BLM and OCD will be notified of any future changes to the facility.

PROCESS AND FLOW DESCRIPTIONS: The flow of the produced fluids is described above and shown in detail on the enclosed facility diagram. The proposed commingling is appropriate based on the BLM's guidance in IM NMPO 2013-02 & 43 CFR 3173.14. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will reduce operating expenses, as well as, not adversely affecting federal royalty income, production accountability, or the distribution of

royalty. Titus Oil & Gas Production, LLC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

**Allocation of Production & Distribution of Proceeds to Working, Royalty
and Overriding Royalty Interest within the Commingled Area:**

Pursuant to the Federal Com agreements in place for the Bone Spring and Wolfcamp formations within the Commingled Area, total oil and gas production, as determined from the Gas Sales Meter and LACT Unit shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to the agreement.


Estimated Production:

Based upon early production data obtained from the Wild Sala Federal Com Wells No. 93, 323 and 324 (Bone Spring) and the Wild Salsa Federal Com Wells No. 404 and 406 (Wolfcamp), it is estimated that production from subject pools will be as follows:

| | | |
|---|--------------------------|--------------------------|
| Diamondtail; Bone Spring Pool: | Oil: 1,066 Bbls/Day/Well | Gas: 2,216 MCFG/Day/Well |
| WC-025 G-09 S223332A; UPR Wolfcamp Pool: | Oil: 1,511 Bbls/Day/Well | Gas: 3,346 MCFG/Day/Well |

Statement on Common Interest Ownership
Wild Salsa CTB Surface Commingle Application

I certify that on the basis of the commingled area being subject to two Federal Com agreements that equitably allocate production on the basis of acreage, interest ownership, including working, royalty and overriding royalty interest is therefor common within the subject commingled area.

 (Ryan DeLong)

Regulatory Manager

1/19/2022

Date

Attachment No. 5
Certification
Titus Oil & Gas Prod., LLC
Surface Commingling Application

| Well Name | Well Number | US Well Number | Lease Number | Case Number | Operator |
|----------------|-------------|----------------|--------------|-------------|---------------|
| WILD SALSA FED | 094H | 3002547635 | NMLC063228 | NMLC063228 | TITUS OIL AND |
| WILD SALSA FED | 095H | 3002547633 | NMLC063228 | NMLC063228 | TITUS OIL AND |
| WILD SALSA FED | 93H | 3002547639 | NMLC063228 | NMLC063228 | TITUS OIL AND |
| WILD SALSA FED | 324H | 3002547638 | NMLC063228 | NMLC063228 | TITUS OIL AND |
| WILD SALSA FED | 406H | 3002547992 | NMLC063228 | NMLC063228 | TITUS OIL AND |
| WILD SALSA FED | 215H | 3002547629 | NMLC063228 | NMLC063228 | TITUS OIL AND |
| WILD SALSA FED | 323H | 3002547637 | NMLC063228 | NMLC063228 | TITUS OIL AND |
| WILD SALSA FED | 226H | 3002547636 | NMLC063228 | NMLC063228 | TITUS OIL AND |
| WILD SALSA FED | 096H | 3002547634 | NMLC063228 | NMLC063228 | TITUS OIL AND |
| WILD SALSA FED | 404H | 3002547640 | NMLC063228 | NMLC063228 | TITUS OIL AND |
| WILD SALSA FED | 224H | 3002547632 | NMLC063228 | NMLC063228 | TITUS OIL AND |

Notice of Intent

Sundry ID: 2653644

Type of Submission: Notice of Intent

Date Sundry Submitted: 01/21/2022

Date proposed operation will begin: 01/21/2022

Type of Action: Commingling (Surface)

Time Sundry Submitted: 09:35

Procedure Description: Titus Oil & Gas Production, LLC is requesting approval for Surface Commingling for both oil and gas in accordance with 43 CFR 3173.14(a)(1)(i). Attachments: Full Application for Central Tank Battery - Wild Salsa CTB

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

BLM_Commingling_Application_Wild_Salsa_CTB____final_20220121093426.pdf

Conditions of Approval

Specialist Review

Surface_Commingling_COA_20220504162857.pdf

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: RYAN DELONG

Signed on: JAN 21, 2022 09:34 AM

Name: TITUS OIL AND GAS PRODUCTION LLC

Title: Regulatory Manager

Street Address: 420 Throckmorton Street, Suite 1150

City: Fort WorthState: TX

Phone: (817) 852-6370

Email address: rdelong@titusoil.com

Field

Representative Name:

Street Address:

City:State:Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: Jonathon W Shepard

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5752345972

BLM POC Email Address: jshepard@blm.gov

Disposition: Approved

Disposition Date: 05/04/2022

Signature: Jonathon Shepard

From: [Engineer, OCD, EMNRD](#)
To: [Ryan DeLong](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order PLC-848
Date: Monday, August 29, 2022 1:10:16 PM
Attachments: [PLC848 Order.pdf](#)

NMOCD has issued Administrative Order PLC-848 which authorizes Titus Oil & Gas Production, LLC (373986) to surface commingle or off-lease measure, as applicable, the following wells:

| Well API | Well Name | UL or Q/Q | S-T-R | Pool |
|--------------|------------------------------|-----------|------------|-------|
| 30-025-47639 | Wild Salsa Federal Com #93H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47637 | Wild Salsa Federal Com #323H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47640 | Wild Salsa Federal Com #404H | E/2 | 13-23S-32E | 98177 |
| | | E/2 | 24-23S-32E | |
| 30-025-47638 | Wild Salsa Federal Com #324H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47992 | Wild Salsa Federal Com #406H | E/2 | 13-23S-32E | 98177 |
| | | E/2 | 24-23S-32E | |
| 30-025-47632 | Wild Salsa Federal Com #224H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47635 | Wild Salsa Federal Com #94H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47629 | Wild Salsa Federal Com #215H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47633 | Wild Salsa Federal Com #95H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47636 | Wild Salsa Federal Com #226H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47634 | Wild Salsa Federal Com #96H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

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

APPLICATION FOR SURFACE COMMINGLING

SUBMITTED BY TITUS OIL & GAS PRODUCTION, LLC

ORDER NO. PLC-848

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Titus Oil & Gas Production, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable,

approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
9. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
10. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE E. SANDOVAL
DIRECTOR**

DATE: 8/29/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-848**

Operator: **Titus Oil & Gas Production, LLC (373986)**

Central Tank Battery: **Wild Salsa Federal Com Central Tank Battery**

Central Tank Battery Location: **UL B, Section 25, Township 23 South, Range 32 East**

Gas Title Transfer Meter Location: **UL B, Section 25, Township 23 South, Range 32 East**

Pools

| Pool Name | Pool Code |
|---|--------------|
| DIAMONDTAIL; BONE SPRING | 17644 |
| WC-025 G-09 S223332A; UPR WOLFCAMP | 98177 |

Leases as defined in 19.15.12.7(C) NMAC

| Lease | UL or Q/Q | S-T-R |
|---------------------|--------------------|-------------------|
| NMNM 140718 | A | 13-23S-32E |
| NMNM 0536344 | E/2 minus A | 13-23S-32E |
| NMLC 0063228 | E/2 | 24-23S-32E |

Wells

| Well API | Well Name | UL or Q/Q | S-T-R | Pool |
|---------------------|-------------------------------------|------------|-------------------|--------------|
| 30-025-47639 | Wild Salsa Federal Com #93H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47637 | Wild Salsa Federal Com #323H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47640 | Wild Salsa Federal Com #404H | E/2 | 13-23S-32E | 98177 |
| | | E/2 | 24-23S-32E | |
| 30-025-47638 | Wild Salsa Federal Com #324H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47992 | Wild Salsa Federal Com #406H | E/2 | 13-23S-32E | 98177 |
| | | E/2 | 24-23S-32E | |
| 30-025-47632 | Wild Salsa Federal Com #224H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47635 | Wild Salsa Federal Com #94H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47629 | Wild Salsa Federal Com #215H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47633 | Wild Salsa Federal Com #95H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47636 | Wild Salsa Federal Com #226H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |
| 30-025-47634 | Wild Salsa Federal Com #96H | E/2 | 13-23S-32E | 17644 |
| | | E/2 | 24-23S-32E | |

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **PLC-848**
Operator: **Titus Oil & Gas Production, LLC (373986)**

Pooled Areas

| Pooled Area | UL or Q/Q | S-T-R | Acres | Pooled Area ID |
|----------------------------|-----------|------------|-------|----------------|
| CA Bone Spring NMNM 143531 | E/2 | 13-23S-32E | 640 | A |
| | E/2 | 24-23S-32E | | |
| CA Wolfcamp NMNM 143533 | E/2 | 13-23S-32E | 640 | B |
| | E/2 | 24-23S-32E | | |

Leases Comprising Pooled Areas

| Lease | UL or Q/Q | S-T-R | Acres | Pooled Area ID |
|--------------|-------------|------------|-------|----------------|
| NMNM 140718 | A | 13-23S-32E | 40 | A |
| NMNM 0536344 | E/2 minus A | 13-23S-32E | 280 | A |
| NMLC 0063228 | E/2 | 24-23S-32E | 320 | A |
| NMNM 140718 | A | 13-23S-32E | 40 | B |
| NMNM 0536344 | E/2 minus A | 13-23S-32E | 280 | B |
| NMLC 0063228 | E/2 | 24-23S-32E | 320 | B |

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 59597

CONDITIONS

| | |
|---|---|
| Operator: Titus Oil & Gas Production, LLC 420 Throckmorton St, Ste 1150 Fort Worth, TX 76012 | OGRID: 373986 |
| | Action Number: 59597 |
| | Action Type: [C-107] Surface Commingle or Off-Lease (C-107B) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|--|----------------|
| dmcclure | Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me. | 8/29/2022 |