

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

Case No. \_\_\_\_\_

**APPLICATION**

Titus Oil & Gas Production, LLC (“Titus”), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Bone Spring formation (WC-015 G-02 S262503L [97945]) underlying a 480-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Section 2 and the NW/4 of Section 11, all within Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico. In support of its application, Titus states as follows:

1. Titus is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Titus proposes to drill the following 1.5-mile well in the proposed HSU: **Chicken Noodle Fed Com 301H** well, to be horizontally drilled from an approximate surface hole location 2433’ FSL and 574’ FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10’ FNL and 1320’ FWL of Section 2, T26S-R25E.
3. The first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

4. The completed interval is proposed to lay south to north along the east/west boundary of the quarter-quarter sections. Titus proposes to include six quarter-quarter sections as proximity tracts under 19.15.16.15(B)(1)(b) NMAC.

5. Titus has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

6. Approval of the HSU and the pooling of all mineral interest owners in the Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to permit Titus to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Titus should be designated the operator of the HSU.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2020, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a 480-acre, more or less, horizontal spacing and proration unit comprised of the W/2 of Section 2, Township 26 South, Range 25 East, and the NW/4 of Section 11, Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation underlying the HSU;

C. Allowing the drilling of the Chicken Noodle Fed Com 301H;

D. Designating Titus as operator of the HSU and the well to be drilled thereon;

E. Authorizing Titus to recover its costs of drilling, equipping and completing the well;

F. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% penalty for the risk assumed by Titus in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

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