

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

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO

Case No. 21872

**APPLICANT'S RESPONSE TO
THE NEW MEXICO STATE LAND OFFICE'S PREHEARING STATEMENT**

Applicant Titus Oil & Gas Production, LLC ("Titus" or "Applicant") hereby submits its response to the Prehearing Statement filed on behalf of the Commissioner of Public Lands and the New Mexico State Land Office ("NMSLO PHS").

As explained in the record before the Division and in Titus's Prehearing Statement and Brief in Support of Application ("Titus PHS"), Titus's proposed El Campeon 404H well ("Well") will prevent waste, protect correlative rights, and lessen environmental impact. The application should therefore be approved. Moreover, for all the reasons stated in the Titus PHS and in Titus's response to the OCD's prehearing statement, neither a memorandum of understanding nor a joint powers agreement is necessary to allow the drilling of the Well.

Nonetheless, Titus acknowledges that it is actively negotiating an agreement with the NMSLO to memorialize the NMSLO's position on the matters stated in the NMSLO PHS. Titus looks forward to coming to an agreement with the NMSLO as quickly as possible, with the understanding that the NMSLO supports approval of the application with such an agreement in place.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following
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