

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATIONS OF TITUS OIL & GAS PRODUCTION,
LLC FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case Nos. 20878-20882

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Titus Oil & Gas production, LLC as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Titus Oil & Gas Production, LLC

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attention: Walt Jones

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Case No. 20878: Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2NW/4 of Section 20 and the E/2W/2 of Section 17, Township 26 South, Range 35 East, NMPM. The unit will be dedicated to the El Campeon North 20-17 Fed. Well No. 322H, with a first take point in the SE/4NW/4 of Section 20 and a final take point in NE/4NW/4 of Section 17.

Case No. 20879: Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2NW/4 of Section 20 and the E/2W/2 of Section 17, Township 26 South, Range 35 East, NMPM. The unit will be dedicated to

the El Campeon North 20-17 Fed. Well Nos. 402H, 432H, and 513H, with first take points in the SE/4NW/4 of Section 20 and final take points in NE/4NW/4 of Section 17.

Case No. 20880:. Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2NE/4 of Section 20 and the W/2E/2 of Section 17, Township 26 South, Range 35 East, NMPM. The unit will be dedicated to the El Campeon North 20-17 Fed. Well No. 323H, with a first take point in the SW/4NE/4 of Section 20 and a final take point in NW/4NE/4 of Section 17.

Case No. 20881: Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2NE/4 of Section 20 and the E/2E/2 of Section 17, Township 26 South, Range 35 East, NMPM. The unit will be dedicated to the El Campeon North 20-17 Fed. Well No. 324H, with a first take point in the SE/4NE/4 of Section 20 and a final take point in NE/4NE/4 of Section 17.

Case No. 20882: Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying a (proximity tract) horizontal spacing unit comprised of the NE/4 of Section 20 and the E/2 of Section 17, Township 26 South, Range 35 East, NMPM. The unit will be dedicated to (i) the El Campeon North 20-17 Fed. Well Nos. 403H, 433H, and 514H, with first take points in the SW/4NE/4 of Section 20 and final take points in NW/4NE/4 of Section 17, and (ii) the El Campeon North 20-17 Fed. Well Nos. 404H, 434H, 515H, and 516H, with first take points in the SE/4NE/4 of Section 20 and final take points in NE/4NE/4 of Section 17.

Also to be considered will be the cost of drilling and completing the wells 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 the risk involved in drilling and completing the wells.

OPPONENTS

PROPOSED EVIDENCE

APPLICANT

WITNESSES

Walt Jones
(landman)

EST. TIME

20 min.

EXHIBIT

Approx. 8

Allen Frierson
(geologist)

15 min.

Approx.8

OPPONENTS

WITNESSES

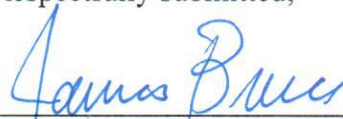
EST. TIME

EXHIBIT

PROCEDURAL MATTERS

1. The cases should be consolidated for hearing.
2. If the cases are unopposed they will be presented by affidavit.

Respectfully submitted,



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Attorney for Titus Oil & Gas Production,
LLC