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:

APPLICATION OF TITUS OIL & GAS, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 20712

APPLICATION OF TITUS OIL & GAS, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 20713

APPLICATION OF TITUS OIL & GAS, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 20714

VERIFIED STATEMENT OF WALTER P. JONES

Walter P. Jones, being duly sworn upon his oath, deposes and states:

- 1. I am the Vice President of Land for Titus Oil & Gas, LLC ("Titus"), and have personal knowledge of the matters stated herein. My employment and education background is as follows: Vice President Land working the Northern Delaware basin for Titus in Fort Worth, TX (2017-present), Landman working Eddy and Lea Counties, NM for BOPCO, L.P. in Fort Worth, TX (2009-2017), Landman working Tarrant County, TX for Dale Property Services in Fort Worth, TX (2007-2009) and a B.B.A degree in Marketing from the University of Mississippi (2005).
- 2. Pursuant to Division Rules, the following information is submitted in support of the compulsory pooling application:
 - (a) The purpose of this application is to force pool working interest owners into the horizontal spacing units described below, and in wells to be drilled in the units.
 - (b) No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have simply failed or refused to voluntarily commit their interests to the well.
 - (c) In Case 20712 Titus seeks the pooling of all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W2SE4 of Section 20, the W2E2 of Section 29 and the W2E2 of Section 32, Township 26 South, Range 35 East,

EXHIBIT (

NMPM. A draft Form C-102 is part of Attachment A. The unit will be dedicated to the El Campeon South 20-29-32 Fed No. 323H, a horizontal well with a first take point in the NW4SE4 of Section 20 and a final take point in Lot 2 of Section 32. The well is in the WC-025 G-08 S263620C; LWR BONE SPRING Pool, whose pool code is 98150.

In Case 20713 Titus seeks the pooling of all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of E2SE4 of Section 20, the E2E2 of Section 29 and the E2E2 of Section 32, Township 26 South, Range 35 East, NMPM. A draft Form C-102 is part of Attachment A. The unit will be dedicated to the El Campeon South 20-29-32 Fed No. 324H, a horizontal well with a first take point in the NE4SE4 of Section 20 and a final take point in Lot 1 of Section 32. The well is in the WC-025 G-08 S263620C; LWR BONE SPRING Pool, whose pool code is 98150.

In Case 20714 Titus seeks the pooling of all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the SE4 of Section 20, the E2 of Section 29 and the E2 of Section 32, Township 26 South, Range 35 East, NMPM. Draft C-102 Forms are part of Attachment A. The unit will be dedicated to the El Campeon South 20-29-32 Fed Well No. 403H, El Campeon South 20-29-32 Fed Well No. 404H, El Campeon South 20-29-32 Fed Well No. 434H, El Campeon South 20-29-32 Fed Well No. 514H, El Campeon South 20-29-32 Fed Well No. 515H and El Campeon South 20-29-32 Fed Well No. 516H wells, each a horizontal well with a first take point in the SE4 of Section 20 and a final take point in the E2 of Section 32. The wells are in the WC-025 G-09 S263619C; WOLFCAMP Pool, whose pool code is 98234.

- (d) There are no depth severances in the Bone Spring and Wolfcamp formations.
- (e) The parties being pooled and their interests are set forth in Attachment B. Their current and correct addresses are also set forth.
- (f) Attachment C contains a summary of contacts with the locatable interest owners, together with copies of the proposal letters and e-mails with them. The estimated costs of the wells as set forth on the Authorization for Expenditures included with the proposal letters are fair and reasonable and are comparable to the costs of other wells of similar depth and length drilled in this area of Lea County.
- (g) Titus has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well, or to locate the interest owners.
- (h) Titus requests overhead and administrative rates of \$8,000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Lea County. Titus requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- (i) Titus requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

- (j) Titus requests that its subsidiary, Titus Oil & Gas Production, LLC, be designated operator of the wells.
- (k) The attachments to this affidavit were prepared by me or under my supervision, or compiled from company business records.
- (l) The granting of this application is in the interests of conservation and the prevention of waste.

VERIFICATION

STATE OF TEXAS)	
COUNTY OF TARRANT) ss.)	
President of Land for Titus Oil & Ga	s, LLC; he is authorize t, and knows the con	deposes and states that: He is the Vice ed to make this verification on its behalf tents thereof; and the same is true and lef.
		Walter P. Jones
SUBSCRIBED AND SWORN TO E WALTER D. JONES .	pefore me this 7 TH	day of <u>August</u> , 2019 by
My Commission Expires:l(-15-	2022	Red Bull Notary Public
	Street Street	5

Attachment A - Case 20712 Legend T-26-S, R-35-E; Lea County, NM Proration Unit - 313.71 acres Well Bores -NMNM 104706 NMNM 110841 Federal Leases 18 State Leases NMNM 093223 2573 NMNM 126974 NMNM 0448921A NMNM 096257 26S 35E 21 22 19 NMNM 136229 NMNM 134888 El Campeon South 20-29-32 Fed 323H NMNM 104706 29 30 28 27 NMNM 097910 NMNM 125400 NMNM 062932 2563 31 32 34 33 NMNM 101610 **NEW MEXICO** TEXAS 5 25

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Attachment A - Case 20713 Legend T-26-S, R-35-E; Lea County, NM Proration Unit - 313.64 acres Well Bores -NMNM 104706 NMNM 110841 Federal Leases 18 State Leases NMNM 093223 2573 NMNM 126974 NMNM 0448921A NMNM 096257 26S 35E 19 20 21 22 MMMM 136229 NMNM 134888 El Campeon South 20-29-32 Fed 324H MMMM 30 29 28 27 NMNM 097910 NMNM 125400 NMNM 062932 2563 31 32 NMNM 101610 34 NEW MEXICO TEXAS 5 25 15

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Attachment A - Case 20714 Legend T-26-S, R-35-E; Lea County, NM Proration Unit - 627.34 acres = Well Bores -NMNM 104706 NMNM 110841 Federal Leases 18 State Leases NMNM 093223 2573 NMNM 126974 NMNM 0448921A NMNM 096257 26S 35E 19 21 22 MMMM 136229 El Campeon South 20-29-32 Fed 403H El Campeon South 20-29-32 Fed 404H NMNM 134888 El Campeon South 20-29-32 Fed 433H El Campeon South 20-29-32 Fed 434H El Campeon South 20-29-32 Fed 514H El Campeon South 20-29-32 Fed 515H El Campeon South 20-29-32 Fed 516H NMNM 104706 30 28 NMNM 097910 27 NMNM 125400 NMNM 062932 2563 31 32 NMNM 101610 34 NEW MEXICO TEXAS 25 5 15 24

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Attachment B - Summary of Interests

Ca	ase 20712	
El Campeon Sout	h 20-29-32 Fed No.	323H
Interest Owner Titus Oil & Gas Production, LLC	Type of Interest Working Interest	Ownership 87.25%
Compulsory Pool Pa Interest Owner EOG Y Resources, Inc.	rties Total Type of Interest	12.75% Ownership
5509 Champions Drive Midland, TX 79706	Working Interest	7.65%
EOG M Resources, Inc. 5509 Champions Drive Midland, TX 79706	Working Interest	2.55%
EOG A Resources, Inc. 5509 Champions Drive Midland, TX 79706	Working Interest	2.55%

Ca	ase 20713	
El Campeon Sout	h 20-29-32 Fed No.	374H
Interest Owner Titus Oil & Gas Production, LLC	Type of Interest Working Interest	Ownership 74.49%
Compulsory Pool Pa Interest Owner EOG Y Resources, Inc.	rties Total Type of Interest	25.51% Ownership
5509 Champions Drive Midland, TX 79706	Working Interest	15.30%
EOG M Resources, Inc. 5509 Champions Drive Midland, TX 79706	Working Interest	5.10%
EOG A Resources, Inc. 5509 Champions Drive Midland, TX 79706	Working Interest	5.10%

Ca	se 20714	1	
El Campeon South	20-29-3	2 Fed WC	Wells
Titus Oil & Gas Production IIC	Type o	f Interest	Ownership 80.87%
EDE Y Revources,	Fuc.	(11.489
EOGM Resonres,		11	3, 839
EDG A RESOURCES,	fec.	((3.83%

ATTACHMENT C

				Contact Log
Date	Time	Contact	Туре	Notes
4/24/2019	9.549)	3:30 PM Matthew Gray	Phone Call	Notified EOG that we recently traded into acreage in 26S-35E and would like to discuss development/trade
4/24/2019		5.41 PM Matthew Gray	T	
0100/00/1		יייייייייייייייייייייייייייייייייייייי		Followed up earlier phone call with a schedule of interests for possible trade discussions
7/29/201		5:18 PM Matthew Gray	Sent Email	Followed up on previous 4/24/2019 email.
5/10/2019	6	Matthew Gray	Letter	Mailed EOG Y, EOG A, EOG M Fl Campeon well proposals in 36s and
5/11/2019	6	EOG	Letter	All EOG entities received the El Campaon well argangletick
5/22/2019		4:50 PM Matthew Gray	Phone Call	Following up on well proposals 10ft masses
5/22/2019		5:04 PM Matthew Gray		Following up on well proposals. Left message
5/24/2019		3:14 PM Matthew Grav		Collowing up on well proposals and voicemail
5/24/2019		0 4-4-4		rollowing up on well proposals. Left message
0107/17/0		3.10 rivi ividitinew Gray	sent Email	Following up on well proposals and voicemail
5/24/2019		4:23 PM Matthew Gray	Received Email	Received response from Matthew Gray saying they hope to discuss the proposals at their 5/28/2019
				meeting
5/29/2019	- 1	10:13 AM Matthew Gray	Sent Email	Following un after FOG's 5/28/2019 monting against 11.
6/4/2019		5:59 PM Matthew Grav	Sent Fmail	Collowing application of 20/2019 Herefully previously referenced
6/5/2019	0	Matthon	Schic chiall	rollowing up on previous emails
0102/010		1.34 AIVI INIALLITEM Gray	Received Email	Awaiting a management decision.
6/13/2019		6:23 PM Matthew Gray	Sent Email	Following up on previous emails
6/25/2019		10:52 AM Matthew Gray	Sent Email	Following up on previous emails
6/27/2019		10:43 AM Matthew Gray	Received Phone	Following up on well proposals
6/28/2010		Т		
0/20/2013			Received Email	wants to discuss
//1/2019	4:21 PM	4:21 PM Matthew Gray	Phone Call	Returning his phone call. FOG to provide additional ownership informations
7/1/2019	4:37 PM	4:37 PM Matthew Gray	Received Email	Sending a man of the arreage we are discussing
7/1/2019	4:47 PM	4:47 PM Matthew Gray	Cont Email	and the state of t
	T		sent Email	Confirming previous email and acreage map

Walt Jones

From:

Matthew Gray

Sent:

Friday, June 28, 2019 8:16 AM

To:

Walt Jones

Subject:

RE: [External] Re: El Campeon Well Proposals

Walt-

I tried to give you a call yesterday. If you get a chance give me a call to discuss the subject well proposals.

Thanks.

Matt Gray

From: Walt Jones <wjones@titusoil.com> Sent: Tuesday, June 25, 2019 10:52 AM

To: Matthew Gray <Matthew_Gray@eogresources.com>
Subject: Re: [External] Re: El Campeon Well Proposals

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Matthew,

Any word on this from management yet?

Walt Jones

Titus Oil & Gas, LLC 100 Throckmorton St., Suite 1630 Fort Worth, TX 76102 Work: (817) 852-6875 Cell: (817) 897-2134

On Thu, Jun 13, 2019 at 6:23 PM Walt Jones < wjones@titusoil.com > wrote:

Hi Matthew,

Just following up to see if you have any feedback from management. Please note it has been over 30 days since EOG received the well proposals on May 11, 2019. I would appreciate some feedback from you guys so we know how best to proceed with our drilling plans. Feel free to give me a call if you have any questions or wish to discuss further.

Thanks,

Walt Jones

Titus Oil & Gas, LLC

100 Throckmorton St., Suite 1630

Fort Worth, TX 76102

Office: (817) 852-6875

Cell: (817) 897-2134

From: Matthew Gray < Matthew Gray @eogresources.com >

Sent: Wednesday, June 5, 2019 7:55 AM To: Walt Jones <wjones@titusoil.com>

Subject: RE: [External] Re: El Campeon Well Proposals

Walt-

These proposals were discussed and I am awaiting a management decision on what we intend to do with this interest. I will try and let you know as soon as I hear something.

Thanks,

Matthew Gray, CPL Landman 5509 Champions Drive, Midland, TX 79706 Office: (432) 686-3633 Email: matthew_gray@eogresources.com

beog resources

From: Walt Jones < wjones@titusoil.com > Sent: Tuesday, June 4, 2019 5:59 PM

To: Matthew Gray < Matthew Gray @eogresources.com > Subject: RE: [External] Re: El Campeon Well Proposals

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Matthew,

Just following up to see if you had any questions or feedback after your Tuesday meeting.

Thank you,

Walt Jones

Titus Oil & Gas, LLC

100 Throckmorton St., Suite 1630

Fort Worth, TX 76102

Office: (817) 852-6875

Cell: (817) 897-2134

From: Walt Jones < wjones@titusoil.com > Sent: Wednesday, May 29, 2019 10:13 AM

To: Matthew Gray < Matthew Gray@eogresources.com > Subject: Re: [External] Re: El Campeon Well Proposals

Thank you for the update, Matt. Please let me know if you have any questions or need further information from us.

Thanks,
Walt Jones
Titus Oil & Gas, LLC
100 Throckmorton St., Suite 1630
Fort Worth, TX 76102
Work: (817) 852-6875
Cell: (817) 897-2134
On Fri, May 24, 2019 at 4:23 PM Matthew Gray < Matthew Gray@eogresources.com > wrote:
Walt-
We should be discussing your proposal at our Tuesday meeting and I hope to have something for you after that.
Thanks,
Matt
Sent from my iPhone
On May 24, 2019, at 3:16 PM, Walt Jones < wjones@titusoil.com > wrote:
CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Following up on the voicemail I just left. Please let me know if you have any questions about the El Campeon well proposals. I hope you have a great weekend.

Thanks,

Walt Jones

Titus Oil & Gas, LLC

100 Throckmorton St., Suite 1630

Fort Worth, TX 76102

Office: (817) 852-6875

Cell: (817) 897-2134

From: Walt Jones < wjones@titusoil.com > Sent: Wednesday, May 22, 2019 5:04 PM

To: Matthew Gray < Matthew Gray@eogresources.com >

Subject: El Campeon Well Proposals

Matthew,

I hope you are doing well. I am following up on the voicemail I left in regards to the El Campeon well proposals I sent a couple of weeks ago. We continue to move forward with our preparations so I would appreciate any feedback you can provide. Please feel free to reach out with any questions you may have.

Thank you,

Walt Jones

Titus Oil & Gas, LLC

100 Throckmorton St., Suite 1630

Fort Worth, TX 76102

Work: (817) 852-6875

Cell: (817) 897-2134

100 Throckmorton St., Suite 1630 Fort Worth, Texas 76102

May 10, 2019

United States Postal Service

EOG A Resources, Inc. 5509 Champions Drive Midland, TX 79706

RE:

El Campeon North 20-17 Fed 323H Well Proposal

T26S-R35E

Lea County, New Mexico

Dear Working Interest Owner.

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the El Campeon North 20-17 Fed 323H ("Subject Well") to an approximate True Vertical Depth of 12,477' and an approximate Total Measured Depth of 20,627' in order to test the Bone Spring formation. The proration unit will cover the W2NE4 of Section 20 and the W2E2 of Section 17, T26S-R35E, Lea County, New Mexico.

The estimated cost of drilling, completing, and equipping the Subject Well is \$10,001,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated May 9, 2019. The Subject Well's surface location will be located approximately 2140' FSL and 1365' FEL of Section 20, T26S-R35E. The Subject Well's bottom-hole location will be approximately 0' FNL and 1650' FEL of Section 17, T26S-R35E. The Subject Well's penetration point will be approximately 100' FSL and 1650' FEL of Section 20, T26S-R35E, and the last take point will be approximately 100' FNL and 1650' FEL of Section 17, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-2015 Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: E2. E2W2 and Section 20: NE4, E2NW of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 25%, proportionately reduced
- \$10,000 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined herein.

Sincerely,

Walter P. Jones Vice President - Land

(817) 852-6875

wjones(a titusoil.com

Please select one of the following and return:
I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the El Campeon North 20-17 Fed 323H.
I/We hereby elect <u>NOT</u> to participate for our proportionate share of the costs detailed in the enclosed AFF associated with the El Campeon North 20-17 Fed 323H.
I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.
EOG A Resources. Inc.
By:
Printed Name:
Title:
Date:

Well Name	TELC	osed Authorization fo	r Expenditure	prepared iviay 9		T		
	El Campeon North 20-17				MD' / TVD'	20,627	12,	477
Legal	Section 17, 20 / T265 / R3	35E			Cty / State	Lea / NM		
Formation	Bone Spring Sand				Field	Jabalina		
	INTANGIBLE COSTS		DRILL	COMPL	PROD	FAC		TOTAL
202	Regulatory/Insurance		35,000		-) as,		35,000
	rveys/ Damages		165,000	2,800	-	-		167,800
Daywork Cor			850,000	284,600	25,000	-		1,159,600
	ng / Cranes/ Fork Lift		75,000	373,100	7,400	25,900		481,400
Fuel & Powe			171,000	3,200				174,200
	rilling Services		341,000		-	-		341,000
Bits			126,000			-		126,000
Mud & Chem	nicals		250,000		-	-		250,000
Water			40,000	434,800	-	-		474,800
	sed Loop/ HES		275,000	19,400	154,100	-		448,500
	equip & services		321,000			-		321,000
Rental - Surfa			175,000	278,600	132,200			585,800
Rental - Subs			175,000	69,600	13,700	_		258,300
Company Su			*	22,300	-			22,300
Contract Sup			131,000	95,800	8,700	-		235,500
Geologic Eva			59,600	37,800	-	-		97,400
Perf & Wireli				196,400	7,400			203,800
Contract Lab			*	16,100	32,000	81,800		129,900
	bandonment		W-		-	-		
Fluid Hauling			•	32,100	143,800			175,900
Services Wel	head		3,000	41,300	5,700	Car.		50,000
Stimulation			-	1,755,800	-			1,755,800
Material Con	sumables		(100)	730,600	-	_		730,600
Contingency			59,000	219,700	26,500	5,400		310,600
Total Intangi		\$	3,252,000	\$ 4,614,000	\$ 557,000	\$ 114,000	\$	8,537,000
	TANGIBLE COSTS		DRILL	CORADI	DDAG			TOTAL
-				COMPL	PROD	FAC		
_			756,000	COMPL	PROD	FAC -	-	756,000
Material Tub	ing and Accs		756,000	COMPL	40,000	FAC -		756,000 40,000
Material Tub Wellhead & F	ing and Accs Production Tree			83,600	40,000 7,300	FAC		
Material Tub Wellhead & F Material Sub	ing and Accs Production Tree surface Lift Equipment		756,000	and an order of an our advantage of the second	40,000	FAC		40,000
Material Tub Wellhead & F Material Sub Packers, Line	ing and Accs Production Tree surface Lift Equipment r Hangers		756,000	and an order of an our advantage of the second	40,000 7,300 66,200	FAC		40,000 150,900
Material Tub Wellhead & F Material Sub Packers, Line Material Surf	ing and Accs Production Tree surface Lift Equipment r Hangers		756,000	and an order of an our advantage of the second	40,000 7,300 66,200 - 9,200	FAC		40,000 150,900 66,200 9,200
Material Tub Wellhead & F Material Sub Packers, Line Material Surf Compressor	ing and Accs Production Tree surface Lift Equipment r Hangers		756,000	and an order of an our advantage of the second	40,000 7,300 66,200	FAC		40,000 150,900 66,200
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Material Tub Wellhead & F Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump Electrical / Gr Flares/Combi	ing and Accs Production Tree surface Lift Equipment r Hangers face Other essels ning/ Dehydration as, Controllers rounding sustion/Emission ons		756,000	and an order of an our advantage of the annual section and	40,000 7,300 66,200 - 9,200	156,700 52,200 - 112,600 9,200 15,700		40,000 150,900 66,200 9,200 34,900 156,700 52,200 9,200 15,700
Material Tub Wellhead & F Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump Electrical / Gr Flares/Combu Communicati Meters/LACT,	ing and Accs Production Tree surface Lift Equipment r Hangers ace Other essels ning/ Dehydration os, Controllers rounding ustion/Emission ons /Instrumentation		756,000 60,000	83,600	40,000 7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100		40,000 150,900 66,200 9,200 34,900 156,700 52,200
Material Tub Wellhead & F Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump Electrical / Gr Flares/Combi	ing and Accs Production Tree surface Lift Equipment r Hangers ace Other essels ning/ Dehydration os, Controllers rounding ustion/Emission ons /Instrumentation es	\$	756,000 60,000 816,000	\$ 84,000	40,000 7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000	\$	40,000 150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500
Material Tub Wellhead & F Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump Electrical / Gr Flares/Combu Communicati Meters/LACT,	ing and Accs Production Tree surface Lift Equipment r Hangers ace Other essels ning/ Dehydration os, Controllers rounding ustion/Emission ons /Instrumentation		756,000 60,000 816,000	83,600	40,000 7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500		40,000 150,900 66,200 9,200 34,900 156,700 52,200
Material Tub Wellhead & F Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump Electrical / Gr Flares/Combu Communicati Meters/LACT,	ing and Accs Production Tree surface Lift Equipment r Hangers ace Other essels ning/ Dehydration os, Controllers rounding ustion/Emission ons /Instrumentation es		756,000 60,000 816,000 4,068,000	\$ 84,000 \$ 4,698,000	40,000 7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000		40,000 150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500
Material Tub Wellhead & F Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump Electrical / Gr Flares/Combu Communicati Meters/LACT,	ing and Accs Production Tree surface Lift Equipment r Hangers ace Other essels ning/ Dehydration os, Controllers rounding ustion/Emission ons /Instrumentation es	\$	756,000 60,000 816,000 4,068,000 m Smith & E	\$ 84,000 \$ 4,698,000 van Hinkel	40,000 7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000		40,000 150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500
Material Tub Wellhead & F Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump Electrical / Gr Flares/Combu Communicati Meters/LACT,	ing and Accs Production Tree surface Lift Equipment r Hangers ace Other essels ning/ Dehydration os, Controllers rounding ustion/Emission ons /Instrumentation es	\$ Prepared By: Ti	756,000 60,000 816,000 4,068,000 m Smith & E	\$ 84,000 \$ 4,698,000 van Hinkel	40,000 7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000		40,000 150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500

100 Throckmorton St., Suite 1630 Fort Worth, Texas 76102

May 10, 2019

United States Postal Service

EOG A Resources, Inc. 5509 Champions Drive Midland, TX 79706

RE:

El Campeon North 20-17 Fed 324H Well Proposal

T26S-R35E

Lea County, New Mexico

Dear Working Interest Owner.

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the El Campeon North 20-17 Fed 324H ("Subject Well") to an approximate True Vertical Depth of 12,477' and an approximate Total Measured Depth of 20,627' in order to test the Bone Spring formation. The proration unit will cover the E2NE4 of Section 20 and the E2E2 of Section 17, T26S-R35E, Lea County, New Mexico.

The estimated cost of drilling, completing, and equipping the Subject Well is \$10,001,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated May 9, 2019. The Subject Well's surface location will be located approximately 2140' FSL and 330' FEL of Section 20, T26S-R35E. The Subject Well's bottom-hole location will be approximately 0' FNL and 330' FEL of Section 17, T26S-R35E. The Subject Well's penetration point will be approximately 100' FSL and 330' FEL of Section 20, T26S-R35E, and the last take point will be approximately 100' FNL and 330' FEL of Section 17, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-2015 Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: E2, E2W2 and Section 20: NE4, E2NW of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well. Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 25%, proportionately reduced
- \$10,000 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter. Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined herein.

Sincerely.

Walter P. Jones

Vice President - Land

(817) 852-6875

wjones(a titusoil.com

		Proposed Authorizat	ion for Expenditu	re prepared May	9, 2019			
Well Name	El Campeon North 20				MD' / TVD'	20,627	1	2,477
Legal	Section 17, 20 / T26S	/ R35E			Cty / State	Lea / NM		
Formation	Bone Spring Sand				Field	Jabalina		
	INTANGIBLE COSTS		DRILL	COMPL	PROD	FAC	T	TOTAL
	Regulatory/Insurance		35,000		1		_	35,00
	rveys/ Damages		165,000	2,800			-	167,80
Daywork Cor			850,000	The second secon	1		-	1,159,60
Mob / Trucki	ng / Cranes/ Fork Lift	To To	75,000	373,100	1			481,40
Fuel & Power	r		171,000				_	174,20
Directional D	rilling Services		341,000				_	341,00
Bits			126,000	1		2		126,00
Mud & Chem	nicals		250,000	1		.		250,00
Water			40,000	1			-	474,80
Disposal/ Clo	sed Loop/ HES		275,000	The Contract of			-	448,50
Cement/ Csg	equip & services		321,000			.		321,000
Rental - Surfa	эсе		175,000	1	132,200			585,800
Rental - Subs	urface		175,000			1		258,300
Company Sur	pervision			22,300	1.0			22,300
Contract Sup	ervision		131,000	95,800	1			235,500
Geologic Eval	luation		59,600	37,800				97,400
Perf & Wirelin	ne Services		33,000	196,400	7,400			
Contract Labo	or			16,100	32,000	1		203,800
Plugging & Al	bandonment			10,100	32,000	01,000		129,900
Fluid Hauling			1	33.100	142,000			175 000
Services Well			3,000	32,100	143,800	1		175,900
Stimulation			3,000	41,300	5,700			50,000
Material Cons	sumables			1,755,800 730,600			1	1,755,800
Contingency			59,000	219,700	26 500			730,600
Total Intangil	bles		\$ 3,252,000	\$ 4,614,000	26,500 \$ 557,000		-	310,600
	TANGIBLE COSTS		DRILL	COMPL	PROD	\$ 114,000 FAC	\$	8,537,000 TOTAL
Casing			756,000	COMITE	TAOD	TAC	+	
Material Tubi	ng and Accs		750,000		40,000			756,000
	roduction Tree		60,000	83,600	40,000 7,300	-		40,000
Material Subs	surface Lift Equipment		30,300	35,000	66,200	-		150,900
Packers, Liner					00,200	-		66,200
Material Surfa	ace Other				9,200			
Compressor					34,900	-		9,200
Tanks					34,900	-		34,900
Production Ve	essels				-	156,700	1	156,700
Gas Condition	ing/ Dehydration				-	52,200		52,200
Flow Lines					-	-		
Valves, Dumps	s. Controllers				-	112,600		112,600
Electrical / Gro					-	9,200		9,200
	stion/Emission					15,700		15,700
Communication						12,100		12,100
	Instrumentation				5.	28,700		28,700
otal Tangible			¢ 016 551	1		18,500		18,500
- tal rangible	Total DC&E		\$ 816,000	\$ 84,000	\$ 158,000	\$ 406,000	-	1,464,000
	TOTAL DUKE		\$ 4,068,000	\$ 4,698,000	\$ 715,000	\$ 520,000	\$	10,001,000
			v: Tim Smith & I					
		Non Opera	ting Partner	Approval:			-	
							-	
ompany:		Ву:				Date:		
		Its:						

100 Throckmorton St., Suite 1630 Fort Worth, Texas 76102

May 10, 2019

United States Postal Service

EOG A Resources, Inc. 5509 Champions Drive Midland, TX 79706

RE:

El Campeon North 20-17 Fed 403H Well Proposal

T26S-R35E

Lea County, New Mexico

Dear Working Interest Owner.

Titus Oil & Gas Production. LLC ("Titus"), as Operator, hereby proposes the drilling of the El Campeon North 20-17 Fed 403H ("Subject Well") to an approximate True Vertical Depth of 12,595" and an approximate Total Measured Depth of 20,745° in order to test the Wolfcamp formation. The proration unit will cover the W2NE4 of Section 20 and the W2E2 of Section 17, T26S-R35E, Lea County, New Mexico.

The estimated cost of drilling, completing, and equipping the Subject Well is \$10,002,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated May 9, 2019. The Subject Well's surface location will be located approximately 2140' FSL and 2260' FEL of Section 20, T26S-R35E. The Subject Well's bottom-hole location will be approximately 0' FNL and 2310' FEL of Section 17, T26S-R35E. The Subject Well's penetration point will be approximately 100' FSL and 2310' FEL of Section 20, T26S-R35E, and the last take point will be approximately 100' FNL and 2310' FEL of Section 17, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-2015 Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: E2, E2W2 and Section 20: NE4, E2NW of T26S-R35E. Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 25%, proportionately reduced
- \$10,000 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter. Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined herein.

Sincerely.

Vice President - Land

(817) 852-6875

wjones@titusoil.com

Please select one of the following and return:
I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the El Campeon North 20-17 Fed 403H.
I/We hereby elect <u>NOT</u> to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the El Campeon North 20-17 Fed 403H.
I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.
EOG A Resources, Inc.
By:
Printed Name:
Title:
Date:

Well Name	El Campeon North 20-	roposed Authorization 17 Fed 403H			-	D' / TVD'	120	,745	1	2,595
Legal	Section 17, 20 / T26S /					y / State	-	a/NM	1.2	.,555
Formation	Wolfcamp	11331				eld	-	balina		
AND DESCRIPTION OF THE PARTY OF	INTANGIBLE COSTS		DRILL	COMPL	-	PROD	130	FAC	T	TOTAL
Land/Legal/	Regulatory/ Insurance		35,000	COMITE	+	TROD	+	776	+	35,000
	rveys/ Damages		165,000	2,800		*		5		167,800
Daywork Cor			850,000	284,600		25,000				1,159,600
	ing / Cranes/ Fork Lift		75,000				1	25 000		481,400
Fuel & Powe			171,000	373,100		7,400	İ	25,900		
	Orilling Services		341,000	3,200	,	2				174,200 341,000
Bits	Jan		126,000							
Mud & Chen	nicals		1							126,000
Water	medis		250,000	424.000		(*)		-		250,000
	osed Loop/ HES		40,000	434,800	- 1			_		474,800
	g equip & services		275,000	19,400)	154,100		5		448,500
Rental - Surf			321,000			1=		-	İ	321,000
Rental - Sub			175,000	278,600	1	132,200		*		585,800
			175,000	69,600		13,700		-		258,300
Company Su				22,300		1740 Weekstrage (1804) 190		**		22,300
Contract Sup			131,000	95,800		8,700		-		235,500
Geologic Eva			59,600	37,800	· 1	-		-		97,400
Perf & Wirel			-	196,400		7,400		*		203,800
Contract Lab			4	16,100)	32,000		81,800		129,900
	bandonment		-			-		-		
Fluid Hauling			-	32,100		143,800		122		175,900
Services Wel	lhead		3,000	41,300		5,700		-		50,000
Stimulation			-	1,755,800				**		1,755,800
Material Cor	A PROPERTY CONTRACTOR STOCKES		-	730,600)			140		730,600
Contingency			59,000	219,700		26,500		5,400		310,600
Total Intang			\$ 3,252,000	\$ 4,614,000	\$	557,000	\$	114,000	\$	8,537,000
Casina	TANGIBLE COSTS		DRILL	COMPL	_	PROD	_	FAC		TOTAL
Casing			757,000					(40)		757,000
Material Tub	oing and Accs Production Tree		=			40,000		-		40,000
			60,000	83,600		7,300		-		150,900
	surface Lift Equipment					66,200		-		66,200
Packers, Line						(10			1	12
Material Surf	race Other					9,200		7.		9,200
Compressor						34,900				34,900
Tanks								156,700		156,700
Production V						7		52,200		52,200
	ning/ Dehydration							-		2
Flow Lines						-		112,600		112,600
	os, Controllers					20		9,200		9,200
Electrical / G								15,700		15,700
	ustion/Emission					12		12,100		12,100
Communicati						S#0		28,700		28,700
	/Instrumentation							18,500		18,500
Total Tangibl			\$ 817,000	\$ 84,000	\$	158,000	\$	406,000	\$	1,465,000
	Total DC&E		\$ 4,069,000	\$ 4,698,000		715,000	\$	520,000		10,002,000
		Prepared By	: Tim Smith & I	Evan Hinkel	-		-			
			ting Partner						-	
Company:		Ву:				_	Dat	e:		
		Its:					-			

100 Throckmorton St., Suite 1630 Fort Worth, Texas 76102

May 10, 2019

United States Postal Service EOG A Resources, Inc. 5509 Champions Drive

Midland, TX 79706

RE:

El Campeon North 20-17 Fed 404H Well Proposal

T26S-R35E

Lea County, New Mexico

Dear Working Interest Owner.

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the El Campeon North 20-17 Fed 404H ("Subject Well") to an approximate True Vertical Depth of 12,583° and an approximate Total Measured Depth of 20.733' in order to test the Wolfeamp formation. The proration unit will cover the E2NE4 of Section 20 and the E2E2 of Section 17, T26S-R35E, Lea County, New Mexico.

The estimated cost of drilling, completing, and equipping the Subject Well is \$10,002,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated May 9, 2019. The Subject Well's surface location will be located approximately 2140' FSL and 1275' FEL of Section 20, T26S-R35E. The Subject Well's bottom-hole location will be approximately 0' FNI, and 190' FEL of Section 17, T26S-R35E. The Subject Well's penetration point will be approximately 100' FSL and 190' FEL of Section 20, T26S-R35E, and the last take point will be approximately 100' FNL and 190' FEL of Section 17, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-2015 Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: E2, E2W2 and Section 20: NE4, E2NW of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well. Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 25%, proportionately reduced
- \$10,000 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined herein.

Sincerely

Walter P. Jones

Vice President - Land

(817) 852-6875

wjones(a titusoil.com

Please select one of the following and return:
I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the El Campeon North 20-17 Fed 404H.
1 We hereby elect <u>NOT</u> to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the El Campeon North 20-17 Fed 404H.
I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.
EOG A Resources, Inc.
By:
Printed Name:
Title.
Date:

Proposed Authorization for Expenditure prepared May 9, 2019

Well Name	El Campeon North 20-					ME)' / TVD'	20	,730	12,	583
Legal	Section 17, 20 / T265 /	R35E				Cty	/ State	Lea	a/NM		
Formation	Wolfcamp					Fie	ld	Jab	palina		
	INTANGIBLE COSTS		DRILL	T	COMPL	1	PROD	T	FAC	T	TOTAL
Land/ Legal/	Regulatory/Insurance		35,0	00				1			35,000
Location/ Sur	rveys/ Damages		165,0	00	2,800			1			167,800
Daywork Cor	ntract		850,0		284,600		25,000		m		1,159,600
Mob / Trucki	ng / Cranes/ Fork Lift		75,0		373,100		7,400		25,900		481,400
Fuel & Power	r		171,0		3,200		-				174,200
Directional D	rilling Services		341,0	- 1			-		-		341,000
Bits			126,0	- 1					4)		126,000
Mud & Chem	nicals		250,0						2		250,000
Water			40,0		434,800						474,800
Disposal/ Clo	sed Loop/ HES		275,0	- 1	19,400		154,100		-		448,500
Cement/ Csg	equip & services		321,0		•						321,000
Rental - Surfa			175,0		278,600		132,200				585,800
Rental - Subs	urface		175,0	-	69,600		13,700				258,300
Company Sur	pervision			2	22,300						22,300
Contract Sup	ervision		131,0	00	95,800		8,700		-		235,500
Geologic Eva	luation		59,6	-	37,800		0,700				97,400
Perf & Wireli			33,0	-	196,400		7,400				203,800
Contract Lab	or				16,100		32,000		81,800		129,900
Plugging & A	bandonment								01,000		123,300
Fluid Hauling					32,100		143,800				175,900
Services Well	head		3,00	00	41,300		5,700				50,000
Stimulation					1,755,800		-/		19		1,755,800
Material Con	sumables				730,600						730,600
Contingency			59,00	00	219,700		26,500		5,400		310,600
Total Intangi	bles		\$ 3,252,0		\$ 4,614,000	\$	557,000	\$	114,000	5	8,537,000
	TANGIBLE COSTS		DRILL		COMPL		PROD	\top	FAC	1	TOTAL
Casing			757,00	00			-		-	1	757,000
Material Tub	ing and Accs						40,000				40,000
	Production Tree		60,00	00	83,600		7,300				150,900
Material Sub	surface Lift Equipment			1			66,200		-		66,200
Packers, Line	r Hangers						10.00		-		/
Material Surf	ace Other						9,200		-		9,200
Compressor							34,900				34,900
Tanks									156,700		156,700
Production V	essels								52,200		52,200
Gas Condition	ning/ Dehydration						2		-		52,200
Flow Lines									112,600		112,600
Valves, Dump	s, Controllers								9,200		9,200
Electrical / Gr	ounding						2		15,700		15,700
Flares/Combu	ustion/Emission						-		12,100		12,100
Communicati	ons								28,700		28,700
Meters/LACT,	/Instrumentation						14		18,500		18,500
Total Tangible	es		\$ 817,00	00	\$ 84,000	\$	158,000	\$	406,000	5	1,465,000
	Total DC&E		\$ 4,069,00		\$ 4,698,000	\$	715,000	\$	520,000		10,002,000
		Prepared B	y: Tim Smith	_	The same of the sa				-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		-,,000
				-							
		Non Opera	ung Parti	ier,	approval:						
Company:		Ву:									
Jy						_	Dat	e:			

100 Throckmorton St., Suite 1630 Fort Worth, Texas 76102

May 10, 2019

United States Postal Service EOG A Resources, Inc. 5509 Champions Drive Midland, TX 79706

RE:

El Campeon North 20-17 Fed 433H Well Proposal

T26S-R35E

Lea County, New Mexico

Dear Working Interest Owner,

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the El Campeon North 20-17 Fed 433H ("Subject Well") to an approximate True Vertical Depth of 12,725' and an approximate Total Measured Depth of 20,875' in order to test the Wolfcamp formation. The proration unit will cover the W2NE4 of Section 20 and the W2E2 of Section 17, T26S-R35E, Lea County, New Mexico.

The estimated cost of drilling, completing, and equipping the Subject Well is \$11,569,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated May 9, 2019. The Subject Well's surface location will be located approximately 2140' FSL and 1335' FEL of Section 20, T26S-R35E. The Subject Well's bottom-hole location will be approximately 0' FNL and 1650' FEL of Section 17, T26S-R35E. The Subject Well's penetration point will be approximately 100' FSL and 1650' FEL of Section 20, T26S-R35E, and the last take point will be approximately 100' FNL and 1650' FEL of Section 17, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-2015 Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: E2, E2W2 and Section 20: NE4, E2NW of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well. Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 25%, proportionately reduced
- \$10,000 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter. Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined herein.

Vice President - Land

(817) 852-6875

wjones(a titusoil.com

Please select one of the following and return:
I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the El Campeon North 20-17 Fed 433H.
I/We hereby elect <u>NOT</u> to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the El Campeon North 20-17 Fed 433H.
I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.
EOG A Resources, Inc.
Ву:
Printed Name:
Title:
Date:

Proposed Authorization for Expenditure prepared May 9, 2019

Well Name		roposed Authorizat	ion for Expenditu	ire prepared May				
	El Campeon North 20-				MD' / TVD'	20,875	12,725	
Legal	Section 17, 20 / T265	/ R35E			Cty / State	Lea / NM		
Formation	Wolfcamp				Field	Jabalina		
	INTANGIBLE COSTS		DRILL	COMPL	PROD	FAC	TOTAL	
	Regulatory/Insurance		35,000)		-	35,000	
	rveys/ Damages		165,000	2,800		-	- 167,800	
Daywork Cor			1,100,000	285,300	24,900		1,410,200	
	ing / Cranes/ Fork Lift		75,000	442,800	7,400	25,900	1	
Fuel & Powe			228,000	3,200	-	-	231,200	
	Orilling Services		436,000	-		-	436,000	
Bits			126,000	-		4	126,000	
Mud & Chen	nicals		250,000	-			250,000	
Water			40,000	515,600			555,600	
	osed Loop/ HES		275,000	19,600	154,100		448,700	
Cement/ Csg	equip & services		321,000	- 1			321,000	
Rental - Surfa			175,000	1	132,200		668,600	
Rental - Subs			175,000		100000000000000000000000000000000000000	1	259,200	
Company Su	pervision		-	22,300			22,300	
Contract Sup	pervision		169,000		1		274,500	
Geologic Eva	luation		77,600	The section of the se			115,500	
Perf & Wireli	ne Services		_	198,700			206,100	
Contract Lab	or		_	16,200	32,000	1		
Plugging & A	bandonment		-	10,200	32,000	31,800	130,000	
Fluid Hauling				32,300	143,800		176 100	
Services Well	lhead		3,000	41,300	5,700		176,100	
Stimulation			3,000	2,367,400	3,700		50,000	
Material Con	sumables			924,600	-	-	2,367,400	
Contingency			68,000	271,900	35 500	- 100	924,600	
Total Intangi	bles		\$ 3,719,000	\$ 5,711,000	\$ 557,000	-		
	TANGIBLE COSTS		DRILL	COMPL	PROD	\$ 114,000 FAC		
Casing			760,000		7700		TOTAL	
Material Tubi	ing and Accs		, 50,556		40,000	-	760,000	
Wellhead & P	Production Tree		60,000	83,600	7,300	_	40,000	
Material Subs	surface Lift Equipment			03,000	66,200		150,900	
ackers, Liner	r Hangers				00,200		66,200	
Material Surfa	ace Other				9,200		0.200	
Compressor					34,900	-	9,200	
anks					34,900	155 700	34,900	
roduction Ve	essels			-	•	156,700	156,700	
Sas Condition	ning/ Dehydration					52,200	52,200	
low Lines				-	-	440.000		
alves, Dump	s, Controllers				-14	112,600	112,600	
lectrical / Gr				*	-	9,200	9,200	
	stion/Emission			-	-	15,700	15,700	
ommunicatio				-	-	12,100	12,100	
	Instrumentation			-	-	28,700	28,700	
otal Tangible			\$ 820,000	¢ 04.000	£ 150	18,500	18,500	
ġ .	Total DC&E		\$ 4,539,000	\$ 84,000	\$ 158,000	\$ 406,000	\$ 1,468,000	
		Property		\$ 5,795,000	\$ 715,000	\$ 520,000	\$ 11,569,000	
			r: Tim Smith & E					
		Non Opera	ting Partner	Approval:				
omnas								
ompany:		Ву:				Date:		
		Its:						

100 Throckmorton St., Suite 1630 Fort Worth, Texas 76102

May 10, 2019

United States Postal Service

EOG A Resources, Inc. 5509 Champions Drive Midland, TX 79706

RE:

El Campeon North 20-17 Fed 434H Well Proposal

T26S-R35E

Lea County, New Mexico

Dear Working Interest Owner,

Titus Oil & Gas Production. LLC ("Titus"), as Operator, hereby proposes the drilling of the El Campeon North 20-17 Fed 434H ("Subject Well") to an approximate True Vertical Depth of 12,713' and an approximate Total Measured Depth of 20,863° in order to test the Wolfcamp formation. The proration unit will cover the E2NE4 of Section 20 and the E2E2 of Section 17, T26S-R35E, Lea County, New Mexico.

The estimated cost of drilling, completing, and equipping the Subject Well is \$11,569,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated May 9, 2019. The Subject Well's surface location will be located approximately 2110' FSL and 330' FEL of Section 20, T26S-R35E. The Subject Well's bottom-hole location will be approximately 0' FNL and 330' FEL of Section 17, T26S-R35E. The Subject Well's penetration point will be approximately 100' FSL and 330' FEL of Section 20, T26S-R35E, and the last take point will be approximately 100' FNL and 330' FEL of Section 17, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-2015 Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: E2, E2W2 and Section 20: NE4, E2NW of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well. Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 25%, proportionately reduced
- \$10,000 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter. Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined herein.

Vice President - Land

(817) 852-6875

wjones(a titusoil.com

Please select one of the following and return:
I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the El Campeon North 20-17 Fed 434H.
I/We hereby elect <u>NOT</u> to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the El Campeon North 20-17 Fed 434H.
I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.
EOG A Resources, Inc.
Ву:
Printed Name:
Title:
Date:

Well Name	It I ampeon North In	17 Fed /3/L		e prepared May 9		120.000	17 717
Legal	El Campeon North 20- Section 17, 20 / T265				MD' / TVD'	20,860	12,713
Formation	Wolfcamp	KSSE			Cty / State	Lea / NM	
· Ormacion	INTANGIBLE COSTS		5000	601151	Field	Jabalina	
Land/Logal/			DRILL	COMPL	PROD	FAC	TOTAL
	Regulatory/Insurance		35,000	-		-	35,00
Daywork Co			165,000	2,800	-	-	167,80
83			1,100,000	285,300	24,900	-	1,410,20
Fuel & Powe	ing / Cranes/ Fork Lift		75,000	442,800	7,400	25,900	1
			228,000	3,200	-	-	231,20
Bits	Orilling Services		436,000	1747	-	-	436,000
Mud & Chen	-1-1-		126,000	125	-	-	126,000
Participation and programme	nicals		250,000	-		-	250,000
Water			40,000	515,600	-	-	555,600
	osed Loop/ HES		275,000	19,600	154,100	-	448,700
	gequip & services		321,000	3	-	-	321,000
Rental - Surf			175,000	361,400	132,200	-	668,600
Rental - Subs			175,000	70,500	13,700	-	259,200
Company Su				22,300		-	22,300
Contract Sup			169,000	96,800	8,700	-	274,500
Geologic Eva			77,600	37,900		7.21	115,500
Perf & Wirel			-	198,700	7,400		206,100
Contract Lab			87	16,200	32,000	81,800	130,000
	bandonment		0.00	-	-	-	
Fluid Hauling			-	32,300	143,800		176,100
Services Wel	lhead		3,000	41,300	5,700		50,000
Stimulation			-	2,367,400	_		2,367,400
Material Con			-	924,600	-	_	924,600
Contingency			68,000	271,900	26,500	5,400	371,800
Total Intangi	ibles		\$ 3,719,000	\$ 5,711,000	\$ 557,000	\$ 114,000	\$ 10,101,000
	TANGIBLE COSTS		DRILL	COMPL	PROD	FAC	TOTAL
Casing				-	-	-	-
Material Tub	ing and Accs		760,000	-	40,000	-	760,000
Material Tub Wellhead & I	Production Tree		760,000	-	40,000 7.300	-	760,000 40,000
Material Tub Wellhead & I Material Sub	Production Tree surface Lift Equipment			83,600	7,300	-	760,000 40,000 150,900
Material Tub Wellhead & I	Production Tree surface Lift Equipment		760,000	-		-	760,000 40,000
Material Tub Wellhead & I Material Sub	Production Tree surface Lift Equipment r Hangers		760,000	-	7,300 66,200	-	760,000 40,000 150,900 66,200
Material Tub Wellhead & I Material Sub Packers, Line	Production Tree surface Lift Equipment r Hangers		760,000	-	7,300 66,200 - 9,200		760,000 40,000 150,900 66,200
Material Tub Wellhead & F Material Sub Packers, Line Material Surf	Production Tree surface Lift Equipment r Hangers		760,000	-	7,300 66,200	5	760,000 40,000 150,900 66,200 9,200 34,900
Material Tub Wellhead & I Material Sub Packers, Line Material Surf Compressor	Production Tree surface Lift Equipment or Hangers face Other		760,000	-	7,300 66,200 - 9,200	156,700	760,000 40,000 150,900 66,200 9,200 34,900 156,700
Material Tub Wellhead & I Material Sub Packers, Line Material Surf Compressor Tanks Production V	Production Tree surface Lift Equipment or Hangers face Other		760,000	-	7,300 66,200 - 9,200	5	760,000 40,000 150,900 66,200 9,200 34,900
Material Tub Wellhead & I Material Sub Packers, Line Material Surf Compressor Tanks Production V	Production Tree surface Lift Equipment or Hangers face Other		760,000	-	7,300 66,200 9,200 34,900	156,700 52,200	760,000 40,000 150,900 66,200 9,200 34,900 156,700
Material Tub Wellhead & I Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines	Production Tree surface Lift Equipment or Hangers face Other essels ning/ Dehydration		760,000	-	7,300 66,200 - 9,200	156,700 52,200	760,000 40,000 150,900 66,200 9,200 34,900 156,700 52,200
Material Tub Wellhead & I Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump	Production Tree surface Lift Equipment or Hangers face Other essels ning/ Dehydration os, Controllers		760,000	-	7,300 66,200 9,200 34,900	156,700 52,200 - 112,600 9,200	760,000 40,000 150,900 66,200 9,200 34,900 156,700 52,200 -
Material Tub Wellhead & I Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump	Production Tree surface Lift Equipment or Hangers face Other essels ning/ Dehydration os, Controllers counding		760,000	-	7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700	760,000 40,000 150,900 66,200 34,900 156,700 52,200 9,200 15,700
Material Tub Wellhead & I Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump	Production Tree surface Lift Equipment or Hangers face Other essels ning/ Dehydration os, Controllers rounding ustion/Emission		760,000	-	7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100	760,000 40,000 150,900 66,200 34,900 156,700 52,200
Material Tub Wellhead & I Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump Electrical / Gr Flares/Combu Communicati	Production Tree surface Lift Equipment or Hangers face Other lessels ning/ Dehydration os, Controllers rounding ustion/Emission ons		760,000	-	7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700	760,000 40,000 150,900 66,200 9,200 34,900 156,700 52,200 9,200 15,700 12,100 28,700
Material Tub Wellhead & I Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump Electrical / Gr Flares/Combu Communicati Meters/LACT,	Production Tree surface Lift Equipment or Hangers face Other essels ning/ Dehydration os, Controllers rounding ustion/Emission ons /Instrumentation		760,000 60,000	83,600	7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500	760,000 40,000 150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500
Material Tub Wellhead & I Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump Electrical / Gr Flares/Combu Communicati Meters/LACT,	Production Tree surface Lift Equipment or Hangers face Other lessels ning/ Dehydration os, Controllers rounding ustion/Emission ons /Instrumentation es		760,000 60,000 \$ 820,000	\$ 84,000	7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000	760,000 40,000 150,900 66,200 9,200 34,900 156,700 52,200
Material Tub Wellhead & I Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump Electrical / Gr Flares/Combu Communicati Meters/LACT,	Production Tree surface Lift Equipment or Hangers face Other essels ning/ Dehydration os, Controllers rounding ustion/Emission ons /Instrumentation		\$ 820,000 \$ 4,539,000	\$ 84,000 \$ 5,795,000	7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500	760,000 40,000 150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500
Material Tub Wellhead & I Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump Electrical / Gr Flares/Combu Communicati Meters/LACT,	Production Tree surface Lift Equipment or Hangers face Other lessels ning/ Dehydration os, Controllers rounding ustion/Emission ons /Instrumentation es		\$ 820,000 \$ 4,539,000 \$ 750 Smith & E	\$ 84,000 \$ 5,795,000 van Hinkel	7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000	760,000 40,000 150,900 66,200 9,200 34,900 156,700 52,200
Material Tub Wellhead & I Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump Electrical / Gr Flares/Combu Communicati	Production Tree surface Lift Equipment or Hangers face Other lessels ning/ Dehydration os, Controllers rounding ustion/Emission ons /Instrumentation es		\$ 820,000 \$ 4,539,000	\$ 84,000 \$ 5,795,000 van Hinkel	7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000	760,000 40,000 150,900 66,200 9,200 34,900 156,700 52,200
Material Tub Wellhead & I Material Sub Packers, Line Material Surf Compressor Tanks Production V Gas Condition Flow Lines Valves, Dump Electrical / Gr Flares/Combu Communicati Meters/LACT,	Production Tree surface Lift Equipment or Hangers face Other lessels ning/ Dehydration os, Controllers rounding ustion/Emission ons /Instrumentation es		\$ 820,000 \$ 4,539,000 \$ 750 Smith & E	\$ 84,000 \$ 5,795,000 van Hinkel	7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000	760,000 40,000 150,900 66,200 9,200 34,900 156,700 52,200

100 Throckmorton St., Suite 1630 Fort Worth, Texas 76102

May 10, 2019

United States Postal Service EOG A Resources, Inc.

5509 Champions Drive Midland, TX 79706

RE:

El Campeon North 20-17 Fed 515H Well Proposal

T26S-R35E

Lea County, New Mexico

Dear Working Interest Owner.

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the El Campeon North 20-17 Fed 515H ("Subject Well") to an approximate True Vertical Depth of 13,082" and an approximate Total Measured Depth of 21.232' in order to test the Wolfcamp formation. The proration unit will cover the E2NE4 of Section 20 and the E2E2 of Section 17, T26S-R35E, Lea County, New Mexico.

The estimated cost of drilling, completing, and equipping the Subject Well is \$11,576,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated May 9, 2019. The Subject Well's surface location will be located approximately 2140' FSL and 1305' FEL of Section 20, T26S-R35E. The Subject Well's bottom-hole location will be approximately 0' FNL and 1254' FEL of Section 17, T26S-R35E. The Subject Well's penetration point will be approximately 100' FSL and 1254' FEL of Section 20, T26S-R35E, and the last take point will be approximately 100' FNL and 1254' FEL of Section 17, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-2015 Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: E2, E2W2 and Section 20: NE4, E2NW of T26S-R35E. Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 25%, proportionately reduced
- \$10,000 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter. Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined

Sincerely.

Vice President - Land

(817) 852-6875

wjones@titusoil.com

Please select one of the following and return:
I'We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the El Campeon North 20-17 Fed 515H.
I/We hereby elect <u>NOT</u> to participate for our proportionate share of the costs detailed in the enclosed AFF associated with the El Campeon North 20-17 Fed 515H.
I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.
EOG A Resources, Inc.
Ву:
Printed Name:
Title:
Date:

		posed Authorizatio				21 222	12 002
Well Name	El Campeon North 20-1				MD' / TVD'		13,082
Legal	Section 17, 20 / T265 / I	R35E			Cty / State Field	Lea / NM	
Formation	Wolfcamp			601401		Jabalina FAC	TOTAL
	INTANGIBLE COSTS		DRILL	COMPL	PROD	PAC	
	Regulatory/Insurance		35,000		-	-	35,000
	rveys/ Damages		165,000	2,800	17	-	167,800
Daywork Co			1,100,000	285,300	24,900		1,410,200
	ing / Cranes/ Fork Lift		75,000	442,800	7,400	25,900	551,100
Fuel & Powe			228,000	3,200		*	231,200
Directional D	Orilling Services		436,000	-	-		436,000
Bits			126,000	-	-	-	126,000
Mud & Cher	nicals		250,000	6	-	-	250,000
Water			40,000	515,600		*	555,600
Disposal/ Clo	osed Loop/ HES		275,000	19,600	154,100	-	448,700
Cement/ Csg	g equip & services		321,000		-	-	321,000
Rental - Surf	ace		175,000	361,400	132,200	-	668,600
Rental - Sub	surface		175,000	70,500	13,700	-	259,200
Company Su	pervision		141	22,300	-	-	22,300
Contract Su	pervision		169,000	96,800	8,700	-	274,500
Geologic Eva	aluation		77,600	37,900		-	115,500
Perf & Wire	ine Services		#	198,700	7,400	-	206,100
Contract Lab	oor		-	16,200	32,000	81,800	130,000
Plugging & A	Abandonment		-	-		-	-
Fluid Haulin	g		,,,,	32,300	143,800	-	176,100
Services We	llhead		3,000	41,300	5,700	-	50,000
Stimulation			-	2,367,400		-	2,367,400
Material Co	nsumables		-	924,600			924,600
Contingency			68,000	271,900	1	5,400	371,800
Total Intang			\$ 3,719,000	\$ 5,711,000		\$ 114,000	\$ 10,101,000
	TANGIBLE COSTS	THE WATER CONTRACTOR OF THE PARTY OF THE PAR	DRILL	COMPL	PROD	FAC	TOTAL
Casing			767,000	-	-	-	767,000
Material Tu	bing and Accs			100	40,000		40,000
Description of the same	A SOCIAL PROPERTY OF THE PROPE		1				
W Cillicad a	Production Tree		60,000	83,600	7,300		150,900
Contract to the contract of th	Production Tree bsurface Lift Equipment		60,000	83,600	7,300 66,200	1	
Contract to the contract of th	bsurface Lift Equipment		60,000	83,600		1	150,900
Material Su	bsurface Lift Equipment er Hangers		60,000	83,600		-	150,900
Material Sul Packers, Lin Material Sul	bsurface Lift Equipment er Hangers rface Other		60,000	83,600	66,200 9,200	-	150,900 66,200 9,200
Material Su Packers, Lin	bsurface Lift Equipment er Hangers rface Other		60,000	83,600	66,200	-	150,900 66,200 9,200 34,900
Material Sui Packers, Lin Material Sui Compressor Tanks	bsurface Lift Equipment er Hangers rface Other		60,000	83,600	66,200 9,200	156,700	9,200 34,900
Material Su Packers, Lin Material Su Compressor Tanks Production	bsurface Lift Equipment er Hangers rface Other Vessels		60,000	83,600	66,200 9,200	-	150,900 66,200 9,200 34,900
Material Su Packers, Lin Material Su Compressor Tanks Production	bsurface Lift Equipment er Hangers rface Other		60,000	83,600	66,200 9,200	156,700 52,200	150,900 66,200 9,200 34,900 156,700 52,200
Material Sui Packers, Lin Material Sui Compressor Tanks Production Gas Condition Flow Lines	osurface Lift Equipment er Hangers rface Other Vessels oning/ Dehydration		60,000	83,600	9,200 34,900	156,700 52,200 112,600	150,900 66,200 9,200 34,900 156,700 52,200
Material Sui Packers, Lin Material Sui Compressor Tanks Production Gas Condition Flow Lines Valves, Dun	bsurface Lift Equipment er Hangers rface Other Vessels oning/ Dehydration nps, Controllers		60,000	83,600	9,200 34,900	156,700 52,200 112,600 9,200	9,200 34,900 156,700 52,200 112,600 9,200
Material Sui Packers, Lin Material Sui Compressor Tanks Production Gas Condition Flow Lines Valves, Dun Electrical / (bsurface Lift Equipment er Hangers rface Other Vessels oning/ Dehydration nps, Controllers Grounding		60,000	83,600	9,200 34,900	156,700 52,200 112,600 9,200 15,700	150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200
Material Sui Packers, Lin Material Sui Compressor Tanks Production Gas Condition Flow Lines Valves, Dun Electrical / Of Flares/Comi	bsurface Lift Equipment er Hangers rface Other Vessels oning/ Dehydration hps, Controllers Grounding bustion/Emission		60,000	83,600	9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100	150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100
Material Sui Packers, Lin Material Sui Compressor Tanks Production Gas Condition Flow Lines Valves, Dun Electrical / (Flares/Comi Communica	bsurface Lift Equipment er Hangers rface Other Vessels boning/ Dehydration hps, Controllers Grounding bustion/Emission tions		60,000	83,600	9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700	150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700
Material Sui Packers, Lin Material Sui Compressor Tanks Production Gas Condition Flow Lines Valves, Dun Electrical / (Flares/Comi Communica Meters/LAC	osurface Lift Equipment er Hangers rface Other Vessels oning/ Dehydration ops, Controllers Grounding bustion/Emission tions T/Instrumentation				9,200 34,900 	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500	150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500
Material Sui Packers, Lin Material Sui Compressor Tanks Production Gas Condition Flow Lines Valves, Dun Electrical / () Flares/Comi Communica	bsurface Lift Equipment er Hangers rface Other Vessels poing/ Dehydration pps, Controllers Grounding bustion/Emission tions T/Instrumentation ples		\$ 827,000	\$ 84,000	66,200 9,200 34,900 	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000	150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 1,475,000
Material Sui Packers, Lin Material Sui Compressor Tanks Production Gas Condition Flow Lines Valves, Dun Electrical / (Flares/Comi Communica Meters/LAC	osurface Lift Equipment er Hangers rface Other Vessels oning/ Dehydration ops, Controllers Grounding bustion/Emission tions T/Instrumentation		\$ 827,000 \$ 4,546,000	\$ 84,000	9,200 34,900 	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000	150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500
Material Sui Packers, Lin Material Sui Compressor Tanks Production Gas Condition Flow Lines Valves, Dun Electrical / (Flares/Comi Communica Meters/LAC	bsurface Lift Equipment er Hangers rface Other Vessels poing/ Dehydration pps, Controllers Grounding bustion/Emission tions T/Instrumentation ples		\$ 827,000 \$ 4,546,000 By: Tim Smith &	\$ 84,000 \$ 5,795,000 Evan Hinkel	66,200 9,200 34,900 	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000	150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 1,475,000
Material Sui Packers, Lin Material Sui Compressor Tanks Production Gas Condition Flow Lines Valves, Dun Electrical / (Flares/Comi Communica Meters/LAC	bsurface Lift Equipment er Hangers rface Other Vessels poing/ Dehydration pps, Controllers Grounding bustion/Emission tions T/Instrumentation ples		\$ 827,000 \$ 4,546,000	\$ 84,000 \$ 5,795,000 Evan Hinkel	66,200 9,200 34,900 	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000	150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 1,475,000
Material Sui Packers, Lin Material Sui Compressor Tanks Production Gas Condition Flow Lines Valves, Dun Electrical / (Flares/Comi Communica Meters/LAC	bsurface Lift Equipment er Hangers rface Other Vessels poing/ Dehydration pps, Controllers Grounding bustion/Emission tions T/Instrumentation ples	Non Oper	\$ 827,000 \$ 4,546,000 By: Tim Smith &	\$ 84,000 \$ 5,795,000 Evan Hinkel	66,200 9,200 34,900 	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000	150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 1,475,000

Titus Oil & Gas Production, LLC

100 Throckmorton St., Suite 1630 Fort Worth, Texas 76102

May 10, 2019

United States Postal Service

EOG A Resources, Inc. 5509 Champions Drive Midland, TX 79706

RE:

El Campeon North 20-17 Fed 516H Well Proposal

T26S-R35E

Lea County, New Mexico

Dear Working Interest Owner.

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the El Campeon North 20-17 Fed 516H ("Subject Well") to an approximate True Vertical Depth of 13,073' and an approximate Total Measured Depth of 21,223' in order to test the Wolfeamp formation. The proration unit will cover the E2NE4 of Section 20 and the E2E2 of Section 17, T26S-R35E, Lea County, New Mexico.

The estimated cost of drilling, completing, and equipping the Subject Well is \$11,576,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated May 9, 2019. The Subject Well's surface location will be located approximately 2080' FSL and 330' FEL of Section 20, T26S-R35E. The Subject Well's bottom-hole location will be approximately 0' FNL and 330' FEL of Section 17, T26S-R35E. The Subject Well's penetration point will be approximately 100' FSL and 330' FEL of Section 20, T26S-R35E, and the last take point will be approximately 100' FNL and 330 FEL of Section 17, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAP1. Form 610-2015 Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: E2, E2W2 and Section 20: NE4, E2NW of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 25%, proportionately reduced
- \$10,000 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined

Sincerely.

Vice President - Land

(817) 852-6875

wjones@titusoil.com

Please select one of the following and return:
I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the El Campeon North 20-17 Fed 516H.
I/We hereby elect <u>NOT</u> to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the El Campeon North 20-17 Fed 516H.
EOG A Resources, Inc.
Ву:
Printed Name:
Title:
Date:

USPS Priority Mail: 9470 1118 9956 1885 4145 13

Titus Oil & Gas Production, LLC

	ITI Commercial Attention	Proposed Authoriza					
Well Name	El Campeon North 20-				MD' / TVD'	21,223	13,073
Legal Formation	Section 17, 20 / T26S	/ R35E			Cty / State	Lea / NM	
Formation	Wolfcamp				Field	Jabalina	
1 1/1 1/	INTANGIBLE COSTS		DRILL	COMPL	PROD	FAC	TOTAL
	Regulatory/ Insurance		35,000	-			35,00
	rveys/ Damages		165,000		1	-	167,80
Daywork Cor			1,100,000	285,300	24,900	-	1,410,20
	ng / Cranes/ Fork Lift		75,000	442,800	7,400	25,900	551,10
Fuel & Power			228,000	3,200	-	-	231,20
	rilling Services		436,000	-	-	-	436,00
Bits			126,000	-	-	-	126,00
Mud & Chem	icals		250,000	-	-	-	250,00
Water			40,000	515,600	-	-	555,600
	sed Loop/ HES		275,000	19,600	154,100	-	448,70
	equip & services		321,000		-	-	321,000
Rental - Surfa			175,000	361,400	132,200		668,600
Rental - Subsi			175,000	70,500	13,700	-	259,200
Company Sup			-	22,300	-	-	22,300
Contract Supe		169,000	96,800	8,700	_	274,500	
Geologic Eval		77,600	37,900	-		115,500	
Perf & Wirelin		-	198,700	7,400	-	206,100	
Contract Labo		-	16,200	32,000	81,800	130,000	
Plugging & Ab	pandonment		-		52,000	150,000	
Fluid Hauling				32,300	143,800		176,100
Services Well	head		3,000	41,300	5,700		50,000
Stimulation				2,367,400	3,700		2,367,400
Material Cons	sumables		_	924,600			924,600
Contingency			68,000	271,900	26,500	5,400	371,800
Total Intangib	oles		\$ 3,719,000	\$ 5,711,000	\$ 557,000	\$ 114,000	\$ 10,101,000
	TANGIBLE COSTS		DRILL	COMPL	PROD		THE RESERVE OF THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NAMED IN COLUMN TWO IS NAMED IN COLUMN TWO IS NAMED IN COLUMN TWO IS NAMED IN COLUMN TWO IS NAMED IN COLUMN TWO IS NAMED IN COLUMN TWO IS NAMED IN COLUMN TWO IS NAMED IN COLUMN TWO IS NAMED IN COLUMN TWO IS NAME
Casing			DRILL 767,000	COMPL	PROD	FAC	TOTAL
Material Tubir	ng and Accs		+	COMPL	-		767,000
Material Tubir Wellhead & Pr	ng and Accs roduction Tree		+	**COMPL	40,000	FAC	767,000 40,000
Material Tubir Wellhead & Pr Material Subs	ng and Accs roduction Tree urface Lift Equipment		767,000		40,000 7,300	FAC	767,000 40,000 150,900
Material Tubir Wellhead & Pr Material Subs Packers, Liner	ng and Accs roduction Tree urface Lift Equipment Hangers		767,000		40,000	FAC	767,000 40,000
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Material Tubir Wellhead & Pr Material Subs Packers, Liner Material Surfa Compressor	ng and Accs roduction Tree urface Lift Equipment Hangers		767,000		40,000 7,300 66,200	FAC	767,000 40,000 150,900 66,200
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Material Tubin Wellhead & Pro Material Subso Packers, Liner Material Surfa Compressor Fanks Production Vec Gas Conditionic	ng and Accs roduction Tree urface Lift Equipment Hangers ace Other ssels ing/ Dehydration		767,000		40,000 7,300 66,200	156,700 52,200	767,000 40,000 150,900 66,200 9,200 34,900 156,700 52,200
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Material Tubin Wellhead & Pro Material Subsice Packers, Liner Material Surface Compressor Fanks Production Ve Gas Conditionial Flow Lines Valves, Dumps Jectrical / Gro	ng and Accs roduction Tree urface Lift Equipment Hangers ice Other ssels ing/ Dehydration		767,000		40,000 7,300 66,200	156,700 52,200 112,600 9,200 15,700	707AL 767,000 40,000 150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700
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Material Tubin Wellhead & Pro Material Subsice Packers, Liner Material Surfa Compressor Fanks Production Vector Flow Lines Valves, Dumps Jectrical / Gro Jares/Combusicommunicatio Meters/LACT/I	ing and Accs roduction Tree urface Lift Equipment Hangers ice Other ssels ing/ Dehydration , Controllers bunding stion/Emission ins instrumentation		\$ 827,000	\$ 84,000	40,000 7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000	767,000 40,000 150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 1,475,000
Material Tubin Wellhead & Pro Material Subsice Packers, Liner Material Surfa Compressor Fanks Production Vector Flow Lines Valves, Dumps Jectrical / Gro Jares/Combusicommunicatio Meters/LACT/I	ng and Accs roduction Tree urface Lift Equipment Hangers ice Other ssels ing/ Dehydration , Controllers bunding stion/Emission ins instrumentation	Prepared D	\$ 827,000 \$ 4,546,000	\$ 84,000 \$ 5,795,000	40,000 7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500	707AL 767,000 40,000 150,900 66,200 9,200 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500
Material Tubin Wellhead & Pro Material Subsice Packers, Liner Material Surfa Compressor Fanks Production Vector Flow Lines Valves, Dumps Jectrical / Gro Jares/Combusicommunicatio Meters/LACT/I	ng and Accs roduction Tree urface Lift Equipment Hangers ice Other ssels ing/ Dehydration , Controllers bunding stion/Emission ins instrumentation		767,000 60,000 \$ 827,000 \$ 4,546,000 %: Tim Smith & E	\$ 84,000 \$ 5,795,000 \$ van Hinkel	40,000 7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000	767,000 40,000 150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 1,475,000
Material Tubin Wellhead & Pro Material Subsice Packers, Liner Material Surfa Compressor Fanks Production Vector Flow Lines Valves, Dumps Jectrical / Gro Jares/Combusicommunicatio Meters/LACT/I	ng and Accs roduction Tree urface Lift Equipment Hangers ice Other ssels ing/ Dehydration , Controllers bunding stion/Emission ins instrumentation		\$ 827,000 \$ 4,546,000	\$ 84,000 \$ 5,795,000 \$ van Hinkel	40,000 7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000	767,000 40,000 150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 1,475,000
Material Tubin Wellhead & Pro Material Subsice Packers, Liner Material Surfa Compressor Fanks Production Vector Flow Lines Valves, Dumps Jectrical / Gro Jares/Combusicommunicatio Meters/LACT/I	ng and Accs roduction Tree urface Lift Equipment Hangers ice Other ssels ing/ Dehydration , Controllers bunding stion/Emission ins instrumentation		767,000 60,000 \$ 827,000 \$ 4,546,000 %: Tim Smith & E	\$ 84,000 \$ 5,795,000 \$ van Hinkel	40,000 7,300 66,200 9,200 34,900	156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 406,000	767,000 40,000 150,900 66,200 9,200 34,900 156,700 52,200 112,600 9,200 15,700 12,100 28,700 18,500 \$ 1,475,000

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 Phone (575) 393-8161 Fax: (575) 393-0720 DISTRICT II 811 S. First St., Artesia, NM 88210 Phone (575) 748-1283 Fax: (575) 748-9720 DISTRICT III

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised August 13, 2011

Submit one copy to appropriate District Office

OIL CONSERVATION DIVISION

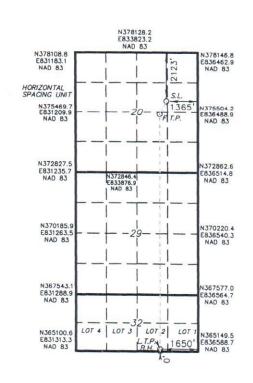
1220 South St. Francis Dr. Santa Fe, New Mexico 87505

☐ AMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT

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) 478-3460 Fax: (505) 478-3462

API	Number		1	Pool Code			Pool Name		
Property	Code		EL	CAMPEC	Property Nam ON SOUTH 2	0-29-32 FEE)	Well No	
OGRID N	0.		TIT	US OIL	Operator Nam & GAS PRO	DUCTION, LLC		Elevar 317	
					Surface Loca	ation			
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
G	20	26 S	35 E		2123	NORTH	1365	EAST	LEA
			Bottom	Hole Loc	cation If Diffe	rent From Sur	face		
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
LOT 2	32	26 S	35 E		0	SOUTH	1650	EAST	LEA
Dedicated Acre	s Joint o	r Infill Co	nsolidation	Code Or	der No.				

OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



SURFACE HOLE LOCATION Lat - N 32.030200° Long - W 103.385324° NMSPCE- N 376014.4 E 835118.6 (NAD-83) (NAVD-88)

FIRST TAKE POINT 2542' FSL & 1650' FEL Lat - N 32.028500° Long - W 103.386241° NMSPCE- N 375393.4 E 834839.9 (NAD-83) (NAVD-88)

LAST TAKE POINT 100' FSL & 1650' FEL Lat - N 32.000572* Long - W 103.386211* NMSPCE- N 365234.2 E 834937.8 (NAD-83) (NAVD-88)

PROPOSED BOTTOM HOLE LOCATION Lat - N 32.000300° Long - W 103.386211° NMSPCE- N 365134.2 E 834938.8 (NAD-83) (NAVD-88)

OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
Signature Date
Printed Name
Email Address
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison and that the same is true and correct to the best of my belief.
Date Surveyed MEY Signature & Shi of Professional Surveyor 7977 Certificate No. 607
BASIA SCHWE
0' 2000' 4000' 6000' 8000' SCALE: 1" = 4000'
WO Num.: 34557

WO Num.: 34557

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

DISTRICT IV

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

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised August 13, 2011

Submit one copy to appropriate District Office

OIL CONSERVATION DIVISION

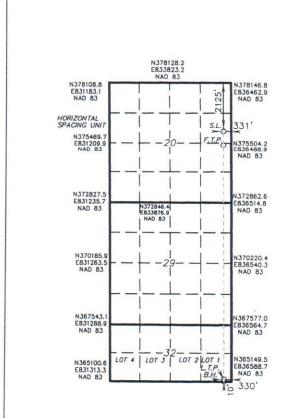
1220 South St. Francis Dr. Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API	Number		1	Pool Code			Pool Name		
Property (Code		EL	CAMPEC	Property Nam ON SOUTH 2	e 0-29-32 FEI)	Well Nu	
OGRID N	0.		TIT	US OIL	Operator Nam & GAS PRO	DUCTION, LLC		Elevat 317	
					Surface Loca	ation			
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
Н	20	26 S	35 E		2125	NORTH	331	EAST	LEA
			Bottom	Hole Loc	cation If Diffe	rent From Sur	face		
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
LOT 1	32	26 S	35 E		0	SOUTH	330	EAST	LEA
Dedicated Acre	s Joint o	r Infill Co	nsolidation (Code Or	der No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



SURFACE HOLE LOCATION

Laf - N 32.030189* Long - W 103.381986* NMSPCE- N 376019.9 E 836153.1 (NAD-83) (NAVD-88)

FIRST TAKE POINT 2542' FSL & 330' FEL Lat - N 32.028492° Long - W 103.381982° NMSPCE- N 375402.1 E 836159.9 (NAD-83) (NAVD-88)

LAST TAKE POINT 100' FSL & 330' FEL Lat - N 32.000575* Long - W 103.381956* NMSPCE- N 365246.4 E 836257.8 (NAD-83) (NAVD-88)

PROPOSED BOTTOM HOLE LOCATION Lat - N 32.000300° Long - W 103.381953° NMSPCE- N 365146.4 E 836258.7 (NAD-83) (NAVD-88)

OPERATOR CERTIFICATION

OPERATOR CERTIFICATION

I hereby certify that the information
contained herein is true and complete to
the best of my knowledge and belief, and that
this organization either owns a working
interest or unleased mineral interest in the
land including the proposed bottom hole
location or has a right to drill this well at
this location pursuant to a contract with an
owner of such a mineral or working interest,
or to a voluntary pooling agreement or a
compulsory pooling order heretofore entered by
the division.

Name		
	Name	Name

Date

Signature

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the my belief.

eye Mi 2679 6, WEXICO Date Sun Signat Profe veyor 7977 7977 BASH

0' 2000' 4000' 6000' 0' 8000 SCALE: 1" = 4000' WO Num.: 34556

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Far: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-9720

811 S. First St., Artesia, NM 50210 Phone (676) 748-1253 Fax: (575) 748-9720 DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone (605) 334-6178 Fax: (605) 334-6170

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax: (505) 476-3462

API Number

Property Code

OGRID No.

State of New Mexico Energy, Minerals and Natural Resources Department Form C-102 Revised August 13, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

☐ AMENDED REPORT

Elevation

3177'

WELL LOCATION AND ACREAGE DEDICATION PLAT

Pool Code

Property Name

EL CAMPEON SOUTH 20-29-32 FED

Well Number
403H

Surface Location

Operator Name

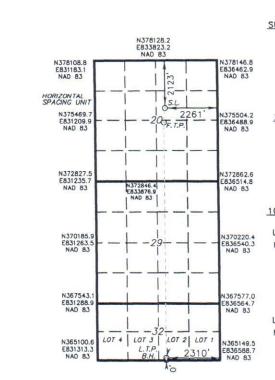
TITUS OIL & GAS PRODUCTION, LLC

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
G	20	26 S	35 E		2123	NORTH	2261	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
LOT 2	32	26 S	35 E		0	SOUTH	2310	EAST	LEA
Dedicated Acres	Joint o	r Infill Con	nsolidation	Code Ord	der No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



SURFACE HOLE LOCATION

Lat - N 32.030203*

Long - W 103.388214*

NMSPCE- N 376007.7

E 834223.0

(NAD-83)

(NAVD-88)

FIRST TAKE POINT
2542' FSL & 2310' FEL
Lat - N 32.028504*
Long - W 103.388370'
NMSPCE - N 375389.0
(NAD-83)
(NAVD-88)

LAST TAKE POINT
100' FSL & 2310' FEL
Lat - N 32.000572'
Long - W 103.388342'
NMSPCE- N 365228.1
E 834277.8
(NAD-83)
(NAVD-88)

PROPOSED BOTTOM <u>HOLE LOCATION</u> Lat - N 32.000297* Long - W 103.388342* NMSPCE - N 365128.1 E 834278.8 (NAD-83) (NAVD-88)

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Date

Signature

Email Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief.

2000' 4000' 6000' 8000 SCALE: 1" = 4000' WO Num.: 34558 DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 Phone (575) 393-5161 Fax: (575) 393-0720 DISTRICT II 811 S. First St., Artesia, NM 88210 Phone (575) 748-1253 Fax: (575) 748-9720 DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Dr., Santa Fe, NM 67505 Phone (505) 476-3460 Fax: (505) 476-3462

DISTRICT IV

State of New Mexico Energy, Minerals and Natural Resources Department

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Submit one copy to appropriate District Office

OIL CONSERVATION DIVISION

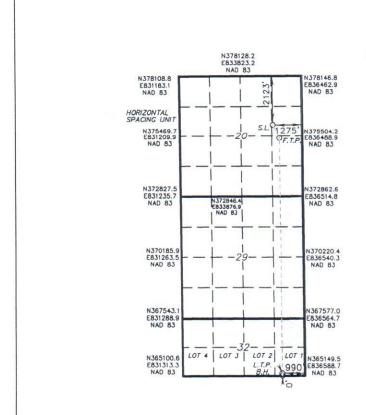
1220 South St. Francis Dr. Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

H 20 26 S 35 E 2123 NORTH 1275 EAST LEAST LEAST LOT 10 Township Range Lot Idn FEET from the SOUTH/South line FEET from the East/EAST line Courage LOT 1 32 26 S 35 E 0 SOUTH 990 EAST LEAST API 1	API Number			Pool Code			Pool Name			
TITUS OIL & GAS PRODUCTION, LLC Surface Location UL or lot No. Section Township Range Lot Idn FEET from the SOUTH/South line FEET from the East/EAST line Country Bottom Hole Location If Different From Surface UL or lot No. Section Township Range Lot Idn FEET from the SOUTH/South line FEET from the East/EAST LEAST LOT 1 32 26 S 35 E 0 SOUTH 990 EAST LEAST LEAST LOT 1 LOT 1 32 26 S 35 E 0 SOUTH PRODUCTION, LLC 3175' Surface Location FEET from the SOUTH/South line FEET from the East/EAST line Country South line FEET from the East/EAST LEAST LEAST LEAST LOT 1 SOUTH PRODUCTION, LLC 3175' Surface Location FEET from the SOUTH/South line FEET from the SOUTH/South line FEET from the East/EAST LEAST LE	Property C	ode		EL	CAMPEC)		
UL or lot No. Section Township Range Lot Idn FEET from the SOUTH/South line FEET from the East/EAST line Countries Bottom Hole Location If Different From Surface UL or lot No. Section Township Range Lot Idn FEET from the SOUTH/South line FEET from the East/EAST line Countries Countrie	OGRID No			TIT	US OIL	The state of the s				
H 20 26 S 35 E 2123 NORTH 1275 EAST LEAST LEAST LOT 10 Township Range Lot Idn FEET from the SOUTH/South line FEET from the East/EAST line Courage LOT 1 32 26 S 35 E 0 SOUTH 990 EAST LEAST					Surface Loca	ation				
Bottom Hole Location If Different From Surface UL or lot No. Section Township Range Lot Idn FEET from the SOUTH/South line FEET from the East/EAST line Cour. LOT 1 32 26 S 35 E 0 SOUTH 990 EAST LEA	UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
UL or lot No. Section Township Range Lot Idn FEET from the SOUTH/South line FEET from the East/EAST line Cour. LOT 1 32 26 S 35 E 0 SOUTH 990 EAST LEA	Н	20	26 S	35 E		2123	NORTH	1275	EAST	LEA
LOT 1 32 26 S 35 E 0 SOUTH 990 EAST LEA				Bottom	Hole Loc	cation If Diffe	rent From Sur	face		
	UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
Dedicated Acres Joint or Infill Consolidation Code Order No.	LOT 1	32	26 S	35 E		0	SOUTH	990	EAST	LEA
	Dedicated Acres	Joint o	or Infill Co	nsolidation	Code Or	der No.				

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SURFACE HOLE LOCATION Lat - N 32.030200° Long - W 103.385033° NMSPCE- N 376014.9 E 835208.8 (NAD-83) (NAVD-88)

FIRST TAKE POINT 2542' FSL & 990' FEL Lat - N 32.028496* Long - W 103.384111* NMSPCE- N 375397.7 E 835499.9 (NAD-83) (NAVD-88)

LAST TAKE POINT 100' FSL & 990' FEL Lat - N 32.000575° Long - W 103.384083° NMSPCE- N 365240.3 E 835597.8 (NAD-83) (NAVD-88)

PROPOSED BOTTOM HOLE LOCATION Lat - N 32.000300° Long - W 103.384083° NMSPCE- N 365140.3 E 835598.8 (NAD-83) (NAVD-88)

OPERATOR CERTIFICATION

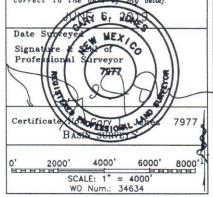
OPERATOR CERTIFICATION

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location or has a right to drill this well at
this location pursuant to a contract with an
owner of such a mineral or working interest,
or to a voluntary pooling agreement or a
compulsory pooling order heretofore entered by
the division.

Signature	Date
Printed Name	
Email Address	

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the of my belief.



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) 334-5175 Fax: (505) 334-6170

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax: (505) 476-3462

DISTRICT IV

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised August 13, 2011

Submit one copy to appropriate District Office

OIL CONSERVATION DIVISION

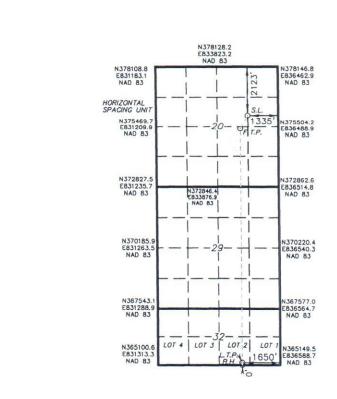
1220 South St. Francis Dr. Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API	Number		I	Pool Code			Pool Name		
Property (Code		EL	CAMPEC	Property Nam	0-29-32 FEE)	Well Nu	
OGRID N	·.		TIT	US OIL	Operator Name	DUCTION, LLC		Elevat 317	
					Surface Loca	ation			
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
G	20	26 S	35 E		2123	NORTH	1335	EAST	LEA
			Bottom	Hole Loc	eation If Diffe	rent From Sur	face		
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
LOT 2	32	26 S	35 E		0	SOUTH	1650	EAST	LEA
Dedicated Acre	s Joint o	r Infill Co	nsolidation (Code Or	der No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



SURFACE HOLE LOCATION Lat - N 32.030200° Long - W 103.385228° NMSPCE- N 376014.5 E 835148.8 (NAD-83) (88-DVAN)

FIRST TAKE POINT 2542' FSL & 1650' FEL Lat - N 32.028500° Long - W 103.386241° NMSPCE - N 375393.4 E 834839.9 (NAD-83) (NAVD-88)

LAST TAKE POINT 100' FSL & 1650' FEL Lat - N 32.000572° Long - W 103.386211° NMSPCE- N 365234.2 E 834937.8 (NAD-83) (NAVD-88)

PROPOSED BOTTOM HOLE LOCATION Lat - N 32.000300° Long - W 103.386211° NMSPCE- N 365134.2 E 834938.8 (NAD-83) (NAVD-88)

OPERATOR	CERTIFICATION
----------	---------------

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature	Date
Printed Name	
Email Address	

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief.

₩ 6, 20 WEXICO Date Sur Signat Profe rveyor BA 5000' 8000 SCALE: 1" = 4000' WO Num: " 0' 2000'

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 Phone (575) 393-8161 Fax: (575) 393-0720 DISTRICT II 811 S. First St., Artesia, NM 88210 Phone (575) 748-1283 Fax: (576) 748-9720

DISTRICT IV

LOT 1

Dedicated Acres

32

Joint or Infill

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised August 13, 2011

Submit one copy to appropriate District Office

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

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax: (505) 476-3462

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

☐ AMENDED REPORT

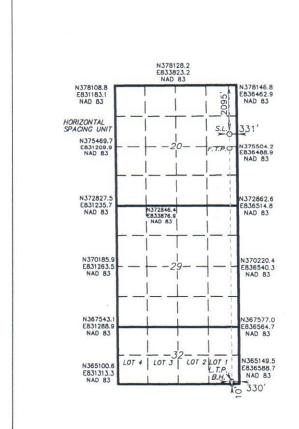
WELL LOCATION AND ACREAGE DEDICATION PLAT

API	Number	Pool Code Pool Name									
Property	Code		EL	CAMPEC	Property Nam	0-29-32 FED)	Well Number 434H			
OGRID No. Operator Name TITUS OIL & GAS PRODUCTION							LLC Elevation 3171'				
					Surface Loca	ation					
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County		
Н	20	26 S	35 E		2095	NORTH	331	EAST	LEA		
			Bottom	Hole Loc	cation If Diffe	rent From Sur	face				
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

0

Order No.



26 S

35 E

Consolidation Code

SURFACE HOLE LOCATION Lat - N 32.030272° Long - W 103.381986° NMSPCE- N 376049.9 E 836152.8 (NAD-83) (NAVD-88)

SOUTH

330

Signature

FIRST TAKE POINT 2542' FSL & 330' FEL Lat - N 32.028492° Long - W 103.381981° NMSPCE- N 375402.1 E 836159.9 (NAD-83) (NAVD-88)

LAST TAKE POINT 100' FSL & 330' FEL Lat - N 32.000575* Long - W 103.381956* NMSPCE- N 365246.4 E 836257.8 (NAD-83) (NAVD-88)

PROPOSED BOTTOM HOLE LOCATION Lat - N 32.000300° Long - W 103.381953° NMSPCE- N 365146.4 E 836258.7 (NAD-83) (NAVD-88)

OPERATOR CERTIFICATION

EAST

LEA

Date

OPERATOR CERTIFICATION

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contained herein is true and complete to
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land including the proposed bottom hole
location or has a right to drill this well at
this location pursuant to a contract with an
owner of such a mineral or working interest,
or to a voluntary pooling agreement or a
compulsory pooling order heretofore entered by
the division.

Printed	Name	
Email A	11	

SURVEYOR CERTIFICATION

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OUT 6, 200 WEXICO eye Signa Profe ion rveyor BA SCALE: 1" = 4000' WO Num: 34000 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) 334-8178 Fax: (505) 334-8170

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax: (505) 476-3462

DISTRICT IV

State of New Mexico Energy, Minerals and Natural Resources Department

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OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

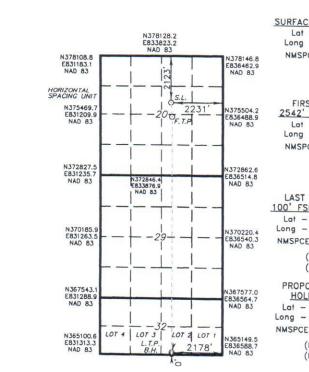
☐ AMENDED REPORT

API Number			1	Pool Code		Pool Name				
Property	Code		EL	CAMPEC	Property Nam ON SOUTH 2	0-29-32 FE[)	Well Number 514H		
OGRID N	о.		Operator Name TITUS OIL & GAS PRODUCTION, LLC						Elevation 3177'	
					Surface Loc	ation				
UL or lot No.	Section 20	Township 26 S	Range 35 E	Lot Idn	FEET from the 2123	SOUTH/South line	FEET from the 2231	East/EAST line	County	

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
LOT 2	32	26 S	35 E		0	SOUTH	2178	EAST	LEA
Dedicated Acres	Joint o	r Infill Co	nsolidation	Code Or	der No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



SURFACE HOLE LOCATION Lat - N 32.030203* Long - W 103.388117* NMSPCE- N 376008.1 E 834252.9 (NAD-83) (NAVD-88)

FIRST TAKE POINT 2542' FSL & 2178' FEL Lat - N 32.028503* Long - W 103.387944* NMSPCE- N 375389.9 E 834311.9 (NAD-83) (NAVD-88)

LAST TAKE POINT 100' FSL & 2178' FEL Lat - N 32.000572° Long - W 103.387917° NMSPCE- N 365229.3 E 834409.8 (NAD-83) (NAVD-88)

PROPOSED BOTTOM HOLE LOCATION Lat - N 32.000297* Long - W 103.387914* NMSPCE- N 365129.3 E 834410.8 (NAD-83) (NAVD-88)

OPERATOR	CERTIFICATION
----------	---------------

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Printed	Name	
---------	------	--

Date

Signature

Email Address

SURVEYOR CERTIFICATION

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0' 2000' 4000 6000' 0, 8000,] SCALE: 1" = 4000' WO Num.: 34627

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

State of New Mexico Energy, Minerals and Natural Resources Department

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DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax: (505) 476-3462

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

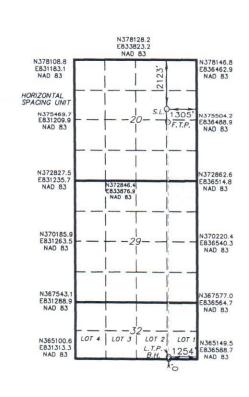
API Number	Pool Code	Pool Name		
Property Code	The second secon	Lerty Name JTH 20—29—32 FED	Well Number	
OGRID No.	Oper	ator Name	Elevation 3175'	
		PRODUCTION, LLC	31/3	

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
Н	20	26 S	35 E		2123	NORTH	1305	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
LOT 1	32	26 S	35 E		0	SOUTH	1254	EAST	LEA
Dedicated Acres	Joint o	r Infill Co	nsolidation	Code Ore	der No.				
NO ALLO	WILDER W	III DE AC			COMPLEMION				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



SURFACE HOLE LOCATION

Lat - N 32.030200*

Long - W 103.385131*

NMSPCE- N 376014.7

E 835178.8

(NAD-83)

(NAVD-88)

FIRST TAKE POINT 2542' FSL & 1254' FEL Lot - N 32.028497' Long - W 103.384963' NMSPCE - N 375396.0 E 835235.9 (NAD-83) (NAVD-88)

LAST TAKE POINT
100' FSL & 1254' FEL
Lat - N 32.000575'
Long - W 103.384936'
NMSPCE- N 365237.9
E 835333.8
(NAD-83)
(NAVD-88)

PROPOSED BOTTOM <u>HOLE LOCATION</u> Lot - N 32.000300° Long - W 103.384933° NMSPCE - N 365137.9 E 835334.8 (NAD-83) (NAVD-88)

OPERATOR	CER	RTIFICATION	I
I hereby certify			
contained herein is			

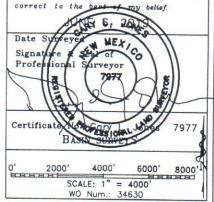
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Signatu	re	Date
Printed	Nama	

Email Address

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DISTRICT IV

State of New Mexico Energy, Minerals and Natural Resources Department

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OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
	EL CAMPEON SOUTH 20-29-32 FED	516H
OGRID No.	Operator Name TITUS OIL & GAS PRODUCTION, LLC	Elevation 3171'

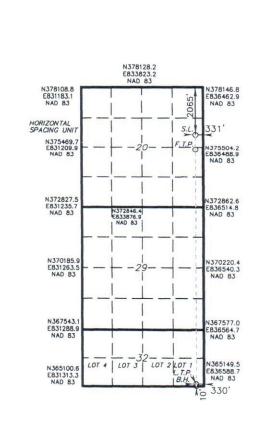
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	SOUTH/South line	FEET from the	East/EAST line	County
Н	20	26 S	35 E		2065	NORTH	331	EAST	LEA

Bottom Hole Location If Different From Surface

LOT 1 32 26 S 35 E 0 SOUTH 330 EAST L
Dedicated Acres Joint or Infill Consolidation Code Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



SURFACE HOLE LOCATION

Lat - N 32.030356* Long - W 103.381986* NMSPCE- N 376079.9 E 836152.5 (NAD-83) (NAVD-88)

FIRST TAKE POINT 2542' FSL & 330' FEL Lat - N 32.028492° Long - W 103.381981° NMSPCE- N 375402.1 E 836159.9 (NAD-83) (NAVD-88)

LAST TAKE POINT 100' FSL & 330' FEL Lat - N 32.000575° Long - W 103.381956° NMSPCE- N 365246.4 E 836257.8 (NAD-83) (NAVD-88)

PROPOSED BOTTOM HOLE LOCATION Lat - N 32.000300° Long - W 103.381953° NMSPCE- N 365146.4 E 836258.7 (NAD-83) (NAVD-88)

OPERATOR CERTIFICATION

OPERATOR CERTIFICATION

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or to a voluntary pooling agreement or a
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the division.

Signatu	re	Date
Printed	Name	

SURVEYOR CERTIFICATION

Email Address

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ONE 6, 2679 WEX 100 Date Sy eye Signat Profe ional rveyor Š Certificate BAS 2000'

SCALE: 1" = 4000' WO Num.: 3464" 0' 200

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, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case Nos. 20712-20714

SELF-AFFIRMED STATEMENT OF NOTICE

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss.)

James Bruce deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I am an attorney for Titus Oil & Gas, LLC..
- 3. Titus Oil & Gas, LLC has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the application filed herein.
- 4. Notice of the application was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipt are attached hereto as Attachment A.
 - 5. Applicant has complied with the notice provisions of Division Rules.
- 6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date

James Bruce

EXHIBIT 2

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

jamesbruc@aol.com

July 18, 2019

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706

Ladies and gentlemen:

Enclosed are copies of the following three (6) applications for compulsory filed with the New Mexico Oil Conservation Division by Titus Oil & Gas, LLC:

- 1. Case No. 20712, regarding a Bone Spring well in the W/2SE/4 of Section 20, the W/2E/2 of Section 29, and the W/2E/2 of Section 32;
- 2. Case No. 20713, regarding a Bone Spring well in the E/2SE/4 of Section 20, the E/2E/2 of Section 29, and the E/2E/2 of Section 32; and
- 3. Case No. 20714, regarding seven Wolfcamp wells in the SE/4 of Section 20, the E/2 of Section 29, and the E/2 of Section 32,

all in Township 26 South, Range 35 East, NMPM, Lea County, New Mexico.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, August 8, 2019, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an interest owner in the subject wells who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, August 1, 2019. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The name(s) of the party and his or her attorney; a concise statement of the case; the names of the witnesses the party will

ATTACHMENT A

call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

ames Bruce

Attorney for Titus Oil & Gas, LLC

U.S. Postal Service™ CERTIFIED MAIL® RECEIP 1004 Domestic Mail Only 3427 Certified Mail Fee 0000 Postmark Here 2290 \$ Total Postage and Fees EOG Resources, Inc. 5509 Champions Drive 7018 Midland, Texas 79706 Street and Apt. No., or PO Box No. City, State, ZIP+4* PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION Complete Items 1, , and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706	A. Signature White the section on A. Signature (B. Received by (Printed Name) Thury White the section of the	Agent Addressee C. Date of Delivery Tight 17 Yes
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PS Form 3811, July 2015 PSN 7530-02-000-9053	Titus	Pomestic Return Receipt

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

APPLICATION OF TITUS OIL & GAS, LLC COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 20712

APPLICATION OF TITUS OIL & GAS, LLC COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 20713

VERIFIED STATEMENT OF ALLEN N. FRIERSON

Allen N. Frierson, being duly sworn upon his oath, deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the geological matters stated herein. I am a geologist for Titus Oil & Gas, LLC ("Titus").
- 2. My educational and employment background is as follows: B.S. degree in Geology from Washington & Lee University (2011), M.S. degree in Geology from Colorado School of Mines (2013), Geologist working for Devon Energy in Oklahoma City, OK (2013-2017), Geologist at Titus Oil & Gas, LLC in Fort Worth, TX (2017-present).

My area of responsibility at Titus includes this portion of Lea County, New Mexico.

- 3. The following geological plats are attached hereto:
- (a) Attachment A is a locator map of the El Campeon Project Area.
- (b) Attachment B is a structure map on the top of the 3rd Bone Spring Sand zone. It shows that structure dips gently to the west-southwest. It also shows the Sharp Nose State 1401H Bone Spring well in the vicinity of the proposed El Campeon South 20-29-32 Fed Well Nos. 323H and 324H, and a line of cross-section.
- (c) Attachment C is a Gross Isopach map of the 3rd Bone Spring Sand zone. The 3rd Bone Spring Sand zone has uniform thickness across the proposed well unit.
- (d) Attachment D is a west-east cross section. The well logs on the cross-section give a representative sample of the Bone Spring formation in this area. The target zones for the wells are the basal 3rd Bone Spring Sand zone, and this zone is continuous across the well unit.

ехнівіт 3

- 4. I conclude from the maps that:
- (a) The horizontal spacing unit is justified from a geologic standpoint.
- (b) Each quarter section in the well unit will contribute more or less equally to production from the wells.
- (c) There is no faulting or other geologic impediment which will adversely affect the drilling of the subject wells.
- 5. Titus sees a preference for standup wells in this area.
- 6. The producing interval of the wells will be orthodox, and will comply with Division setback requirements.

VERIFICATION

STATE OF TEXAS)
) ss
COUNTY OF TARRANT)

Allen N. Frierson, being duly sworn upon his oath, deposes and states that: He is a geologist for Titus Oil & Gas, LLC; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

Allen N. Frierson

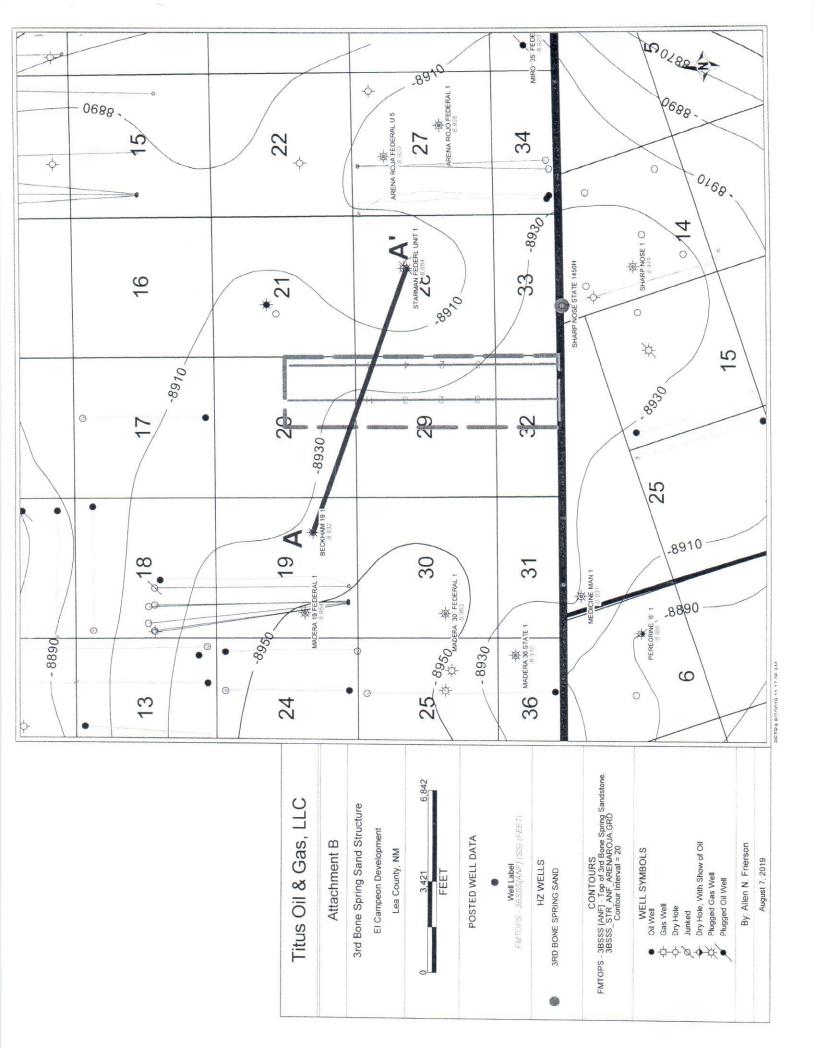
SUBSCRIBED AND SWORN TO before me this ______ day of August, 2019 by Allen N. Frierson.

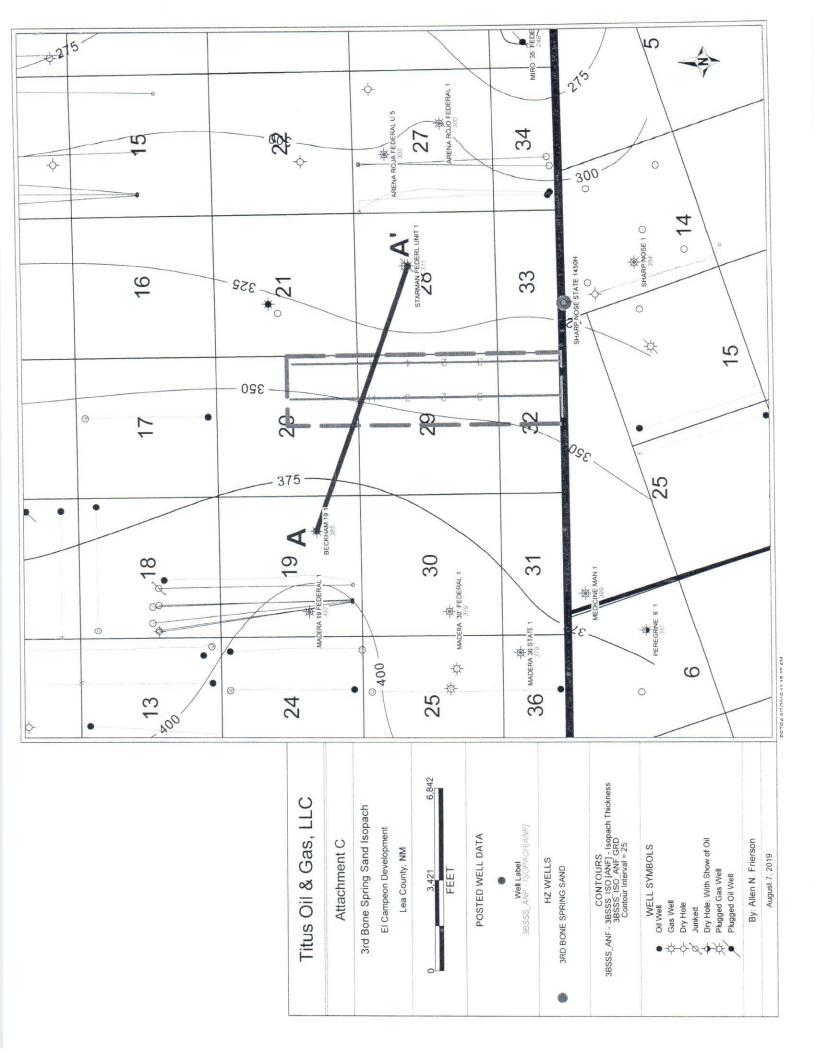
My Commission Expires: 11-15-2022

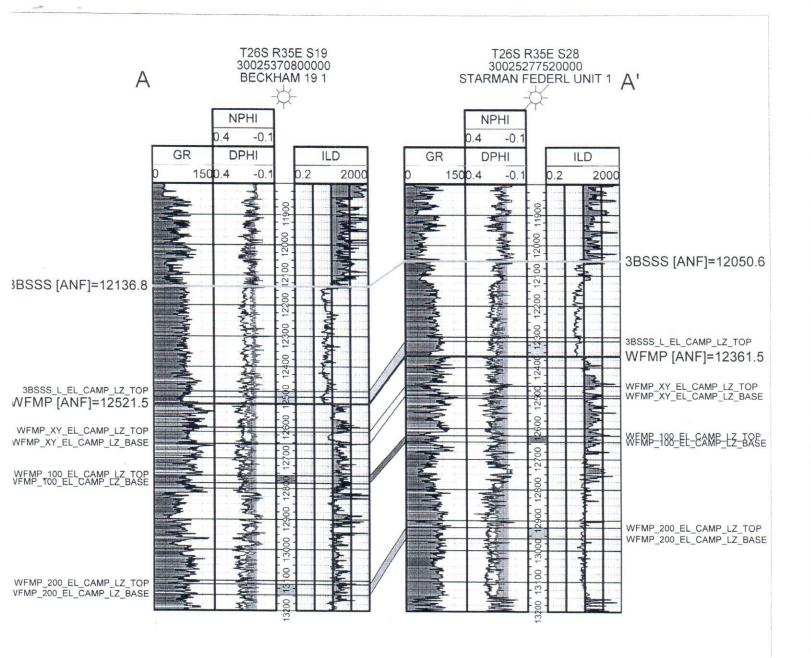
Notary Public

REED BRUNETTE
Notary Public, State of Texas
Comm. Expires 11-15-2022
Notary ID 131798223

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Titus Oil & Gas, LLC
Attachment D
El Campeon Type Section, A-A'
3rd Bone Spring Sand & Wolfcamp
Lea County, NM
Horizontal Scale = 255.7 Vertical Scale = 20.0 Vertical Exaggeration = 12.8x
Twn-Rge-Sec
UWI
Well Label
•
By: Allen N. Frierson
August 7,2019 11:21 AM

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

APPLICATION OF TITUS OIL & GAS, LLC COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 20714

VERIFIED STATEMENT OF ALLEN N. FRIERSON

Allen N. Frierson, being duly sworn upon his oath, deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the geological matters stated herein. I am a geologist for Titus Oil & Gas, LLC ("Titus").
- 2. My educational and employment background is as follows: B.S. degree in Geology from Washington & Lee University (2011), M.S. degree in Geology from Colorado School of Mines (2013), Geologist working for Devon Energy in Oklahoma City, OK (2013-2017), Geologist at Titus Oil & Gas, LLC in Fort Worth, TX (2017-present).

My area of responsibility at Titus includes this portion of Lea County, New Mexico.

- 3. The following geological plats are attached hereto:
- (a) Attachment A is a locator map of the El Campeon Project Area.
- (b) Attachment B is a structure map on the top of the Wolfcamp zone. It shows that structure dips gently to the west-southwest. It also shows the Roja Arena Federal Unit 15H, Mack Connie 1H, and Pistol 24-24 2H Wolfcamp wells in the vicinity of the proposed El Campeon South 20-29-32 Fed Well Nos. 403H, 404H, 433H, 434H, 514H, 515H, and 516H, and a line of cross-section.
- (c) Attachment C is a Gross Isopach map of the Wolfcamp zone. The Wolfcamp zone has uniform thickness across the proposed well unit.
- (d) Attachment D is a west-east cross section. The well logs on the cross-section give a representative sample of the Wolfcamp formation in this area. The target zones for the wells are the Wolfcamp XY, Wolfcamp A, and upper Wolfcamp B zones, and these zones are continuous across the well unit.
- 4. I conclude from the maps that:
- (a) The horizontal spacing unit is justified from a geologic standpoint.



- (b) Each quarter section in the well unit will contribute more or less equally to production from the wells.
- (c) There is no faulting or other geologic impediment which will adversely affect the drilling of the subject wells.
- 5. Titus sees a preference for standup wells in this area.
- 6. The producing interval of the wells will be orthodox, and will comply with Division setback requirements.

VERIFICATION

STATE OF TEXAS)
) ss
COUNTY OF TARRANT)

Allen N. Frierson, being duly sworn upon his oath, deposes and states that: He is a geologist for Titus Oil & Gas, LLC; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

Allen N Frierson

SUBSCRIBED AND SWORN TO before me this ______ day of August, 2019 by Allen N. Frierson.

My Commission Expires: 11-15-2022

Notary Public

REED BRUNETTE

Notary Public, State of Texas

Comm. Expires 11-15-2022

Notary ID 131798223

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