

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

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

CASE NO. 21128

Titus Oil & Gas Production, LLC

Application and Exhibits

El Campeon South Fed Com 431H

March 5, 2020

TITUS
OIL GAS LLC

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A		B	
1	COMPULSORY POOLING APPLICATION CHECKLIST		
2	ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS		
3	Case: 21128	APPLICANT'S RESPONSE	
4	Date	March 5, 2020	
5	Applicant	Titus Oil & Gas Production, LLC	
6	Designated Operator & OGRID (affiliation if applicable)	373986	
7	Applicant's Counsel:	Sharon Shaheen	
8	Case Title:	Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico	
9	Entries of Appearance/Intervenors:	Deana Bennett/Franklin Mountain Energy, LLC	
10	Well Family	El Campeon Wells	
11	Formation/Pool		
12	Formation Name(s) or Vertical Extent:	Wolfcamp Formation	
13	Primary Product (Oil or Gas):	Oil	
14	Pooling this vertical extent:	Wolfcamp Formation	
15	Pool Name and Pool Code:	WC-025 G-09 S263619C (98234)	
16	Well Location Setback Rules:	Statewide rules	
17	Spacing Unit Size:	160 acres, more or less	
18	Spacing Unit		
19	Type (Horizontal/Vertical)	Horizontal	
20	Size (Acres)	160 acres, more or less	
21	Building Blocks:	Quarter-quarter section (40 ac)	
22	Orientation:	North-South	
23	Description: TRS/County	W2SW of Section 29 and NWNW & Lot 4 of irregular Section 32, 26S-35E, Lea County, NM	
24	Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes	
25	Other Situations		
26	Depth Severance: Y/N. If yes, description	No	
27	Proximity Tracts: If yes, description	No	
28	Proximity Defining Well: if yes, description	No	
29	Applicant's Ownership in Each Tract	Tract 1 (0%), Tract 2 (100%)	
30	Well(s)		
31	Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)		

	A	B
32	Well #1	<p>El Campeon South Fed Com 431H, API No. Pending</p> <p>SHL: 1828' FNL and 682' FWL, Section 29-T26S-R35E, NMPM</p> <p>BHL: 10' FSL and 989' FWL, Section 32-T26S-R35E, NMPM</p> <p>Completion Target: Wolfcamp A at approx 12,741 Feet TVD</p> <p>Well Orientation: North to South</p> <p>Completion location expected to be standard</p>
33	Horizontal Well First and Last Take Points	<p>FTP: 2543' FSL and 989' FWL of Section 29-T26S-R35E</p> <p>LTP: 100' FSL and 989' FWL of Section 32-T26S-R35E</p>
34	Completion Target (Formation, TVD and MD)	For Formation & TVD, see Well #1 info above. MD is approximately 18,271'
35		
36	AFE Capex and Operating Costs	
37	Drilling Supervision/Month \$	\$8,000
38	Production Supervision/Month \$	\$800
39	Justification for Supervision Costs	Ex. A-7
40	Requested Risk Charge	Ex. A-7
41	Notice of Hearing	
42	Proposed Notice of Hearing	Ex. A-8
43	Proof of Mailed Notice of Hearing (20 days before hearing)	Ex. C
44	Proof of Published Notice of Hearing (10 days before hearing)	Ex. C
45	Ownership Determination	
46	Land Ownership Schematic of the Spacing Unit	Ex. A-2, A-3, & A-4
47	Tract List (including lease numbers and owners)	Ex. A-3
48	Pooled Parties (including ownership type)	Ex. A-4
49	Unlocatable Parties to be Pooled	none
50	Ownership Depth Severance (including percentage above & below)	none
51	Joinder	
52	Sample Copy of Proposal Letter	Ex. A-7
53	List of Interest Owners (ie Exhibit A of JOA)	Ex. A-4
54	Chronology of Contact with Non-Joined Working Interests	Ex. A-5
55	Overhead Rates In Proposal Letter	See AFE, attached to Ex. A-7
56	Cost Estimate to Drill and Complete	See AFE, attached to Ex. A-7

	A	B
57	Cost Estimate to Equip Well	See AFE, attached to Ex. A-7
58	Cost Estimate for Production Facilities	See AFE, attached to Ex. A-7
59	Geology	
	Summary (including special considerations)	Ex. B-1
61	Spacing Unit Schematic	Ex. B-3
62	Gunbarrel/Lateral Trajectory Schematic	Ex. B-5
63	Well Orientation (with rationale)	Ex. B at 3, para. 12(d)
64	Target Formation	See Exs. B-1 & B-4
65	HSU Cross Section	B-4
66	Depth Severance Discussion	N/A
67	Forms, Figures and Tables	
68	C-102	Ex. A-6
69	Tracts	Exs. A-2 & A-3
70	Summary of Interests, Unit Recapitulation (Tracts)	Exs. A-3 & A-4
71	General Location Map (including basin)	Ex. A-1
72	Well Bore Location Map	Exs. A-2 & A-6
73	Structure Contour Map - Subsea Depth	Exs. B-6 & B-7
74	Cross Section Location Map (including wells)	Ex. B-2
	Cross Section (including Landing Zone)	Ex. B-4
76	Additional Information	
77	CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
78		
79	Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
80	Signed Name (Attorney or Party Representative):	<i>Sharon T. Shaheen</i>
81	Date:	3/4/2020

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

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

Case No. 21128

APPLICATION

Titus Oil & Gas Production, LLC ("Titus"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Wolfcamp formation (WC-025 G-09 S263619C [98234]) in a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the W/2 SW/4 of Section 29, Township 26 South, Range 35 East, and the NW/4 NW/4 and Lot 4 of Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Section 32 is an irregular section on the Texas border in which the NW/4 NW/4 and Lot 4 would effectively comprise the W/2 NW/4 if it were a standard 640-acre section. In support of its application, Titus states as follows:

1. Titus is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Titus proposes to horizontally drill the 1-mile **El Campeon South 29-32 Fed 431H** well from an approximate surface hole location 1834' FNL and 664' FWL of Section 29-T26S-R35E, to an approximate bottom hole location 0' FSL and 690' FWL of the 320-acre Section 32-T26S-R35E.

3. The completed interval and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.

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

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

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

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 5, 2020, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the W/2 SW/4 of Section 29, Township 26 South, Range 35 East, and the NW/4 NW/4 and Lot 4 of the 320-acre Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico;

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

C. Allowing the drilling of the El Campeon South 29-32 Fed 431H well in the proposed HSU;

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

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

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

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

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

John F. McIntyre

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

sshaheen@montand.com

jmcintyre@montand.com

Attorneys for Titus Oil & Gas Production, LLC

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

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

CASE NO. 21128

AFFIDAVIT OF WALTER JONES

I, being duly sworn on oath, state the following:

1. I am over the age of 18, and have the capacity to execute this Affidavit, which is based on my personal knowledge.
2. I am a landman employed as Vice President of Land with Titus Oil & Gas Production, LLC ("Titus"), and I am familiar with the subject application and the lands involved.
3. This affidavit is submitted in connection with the filing by Titus of the above-referenced compulsory pooling applications pursuant to 19.15.4.12.A(1) NMAC.
4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record previously. My education and work experience are as follows: I graduated from the University of Mississippi in 2005 with a business degree in marketing. From 2007 through 2009, I worked as an independent landman for a broker in the Barnett Shale in the Fort Worth area. From 2009 to 2017, I worked for BOPCO, LP, the Bass family's oil and gas company, with assets predominately in New Mexico. I have been with Titus from 2017 to present. I have been working on New Mexico oil and gas matters for approximately 11 years.

EXHIBIT A
Titus Oil & Gas Production LLC
NMOCD Case No. 21128
March 5, 2020

5. The purpose of this application is to force pool working interest owners and uncommitted mineral interest owners into the horizontal spacing and proration unit ("HSU") described below, and in the well to be drilled in the unit.

6. No opposition is expected. The interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests in the wells. Although Franklin Mountain Energy, LLC has entered an appearance in this case, I understand that it does not object to the proposed spacing unit and well and that it does not object to presenting this case by affidavit.

7. Titus seeks an order pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C [98234]). The standard 160-acre, more or less, HSU underlies the W/2 SW/4 of Section 29, Township 26 South, Range 35 East, and the NW/4 NW/4 and Lot 4 of Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Section 32 is an irregular section on the Texas border in which the NW/4 NW/4 and Lot 4 would effectively comprise the W/2 NW/4 if it were a standard 640-acre section.

8. This proposed HSU will be dedicated to the 1-mile **El Campeon South Fed Com 431H** well ("431H"). The proposed surface hole location is approximately 1828' FNL and 682' FWL of Section 29-T26S-R35E. The proposed bottom hole location is approximately 10' FSL and 989' FWL of the irregular Section 32-T26S-R35E. The proposed true vertical depth is 12,741'. The first take point will be located at approximately 2543' FSL and 989' FWL of Section 29-T26S-R35E, and the last take point will be located at approximately 100' FSL and 989' FWL of Section 32-T26S-R35E. The completed interval and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.

9. The surface location of the 431H has been moved north due to a request by the Bureau of Land Management's archaeologist. Additionally, the name of the 431H differs slightly from what was originally proposed in the application due to a change in our company's naming conventions. The 431H was originally proposed as the "El Campeon South 29-32 Fed 431H", but has since been changed to the El Campeon South Fed Com 431H.

10. A general location map, including the basin, is attached as **Exhibit A-1**.

11. A map illustrating the tracts in the proposed HSU and the location of the wellbore is attached as **Exhibit A-2**.

12. **Exhibit A-3** is a list of tract ownership, with lease numbers, owners, and interests of each owner in each tract.

13. The ownership breakdown of interests and list of parties to be pooled is attached as **Exhibit A-4**.

14. A chronology of contact with the non-joined working interest owner is attached as **Exhibit A-5**. There are no depth severances in the Wolfcamp formation for the 431H.

15. The location of the proposed well within the respective HSU is depicted in the draft C-102 Form attached as **Exhibit A-6**. The draft C-102 Form also indicates the locations of the surface hole, the bottomhole, and the first and last take points.

16. I have conducted a diligent search of the public records in Lea County, New Mexico, where the well will be located, and conducted phone directory and computer searches to obtain contact information for parties entitled to notification. I mailed all parties a well proposal, including an Authorization for Expenditure ("AFE").

17. **Exhibit A-7** includes a copy of the well proposal letter and the AFE for the proposed well. The estimated cost of the well set forth in the AFE is fair, reasonable, and

comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

18. Titus has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed well.

19. **Exhibit A-8** is a copy of the notice letter with the application that was sent to all of the uncommitted interest owners in the proposed HSU.

20. Titus requests the Division to approve operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures

21. Titus requests the maximum cost, plus 200% risk charge, be assessed against non-consenting working interest owners.

22. Titus requests that it be designated operator of the well.

23. The Exhibits to this Affidavit were prepared by me, or compiled from Titus's business records.

24. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

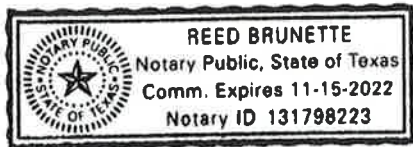
25. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

Walter P. Jones
Walter Jones

STATE OF TEXAS)
)ss
COUNTY OF TARRANT)

Subscribed to and sworn before me this 4 day of March, 2020.

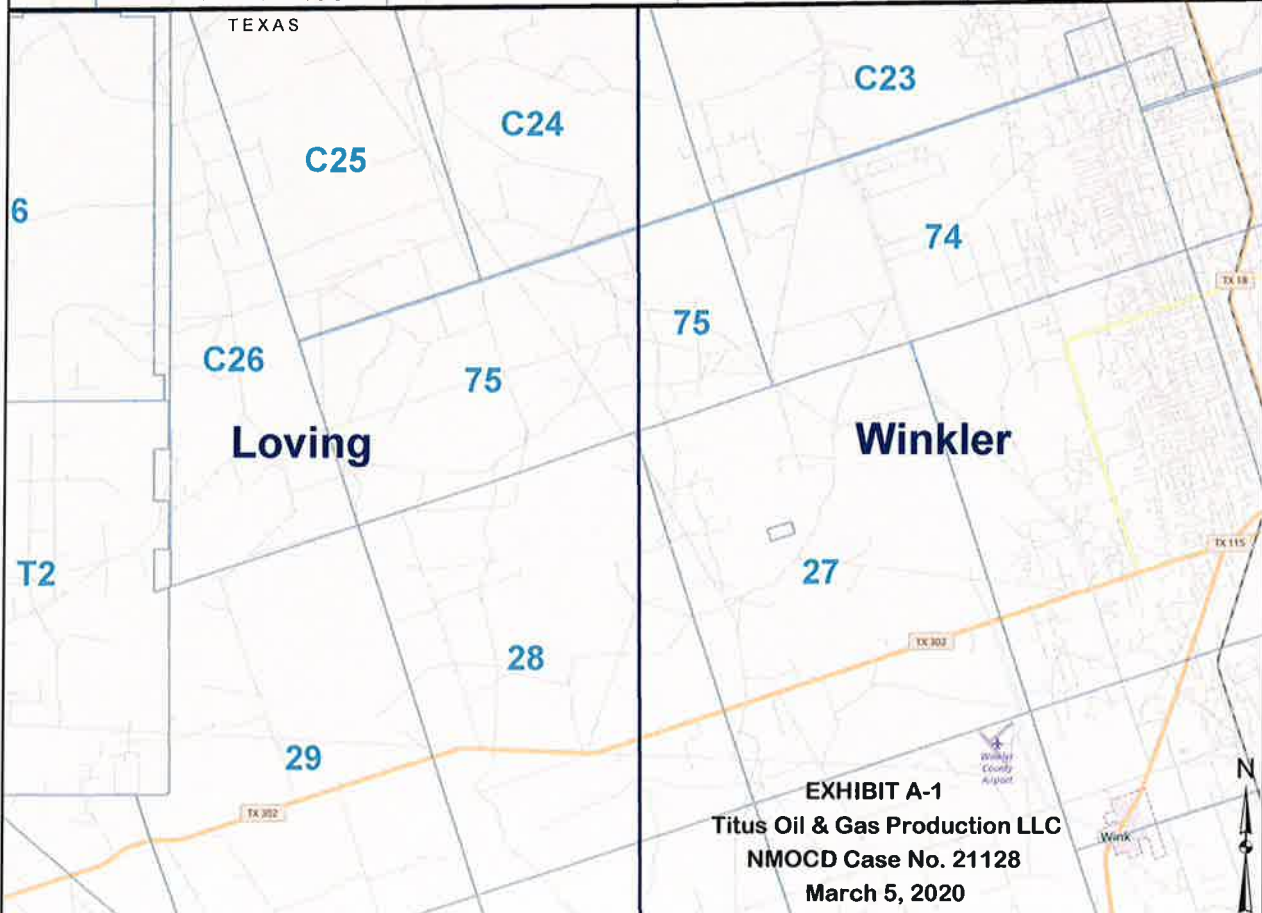
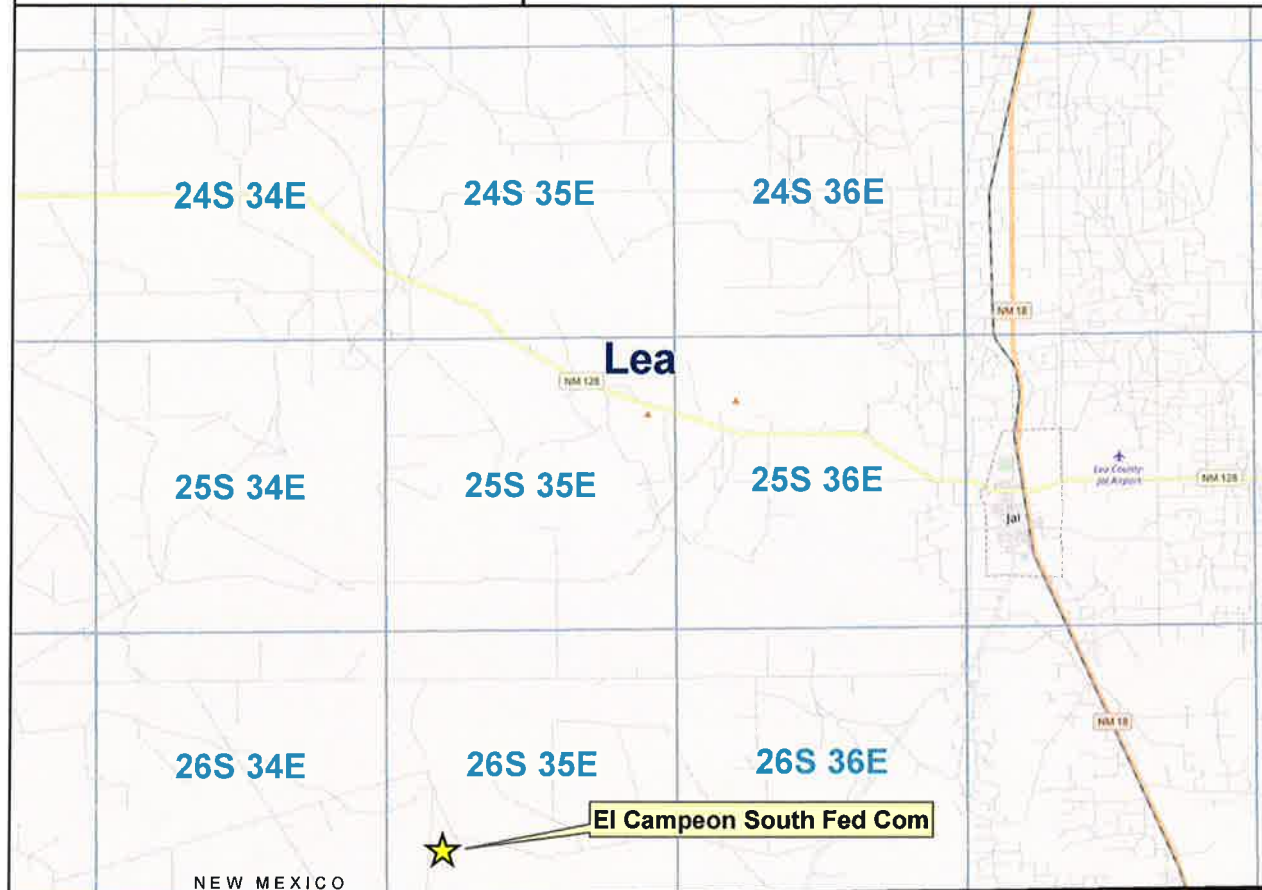


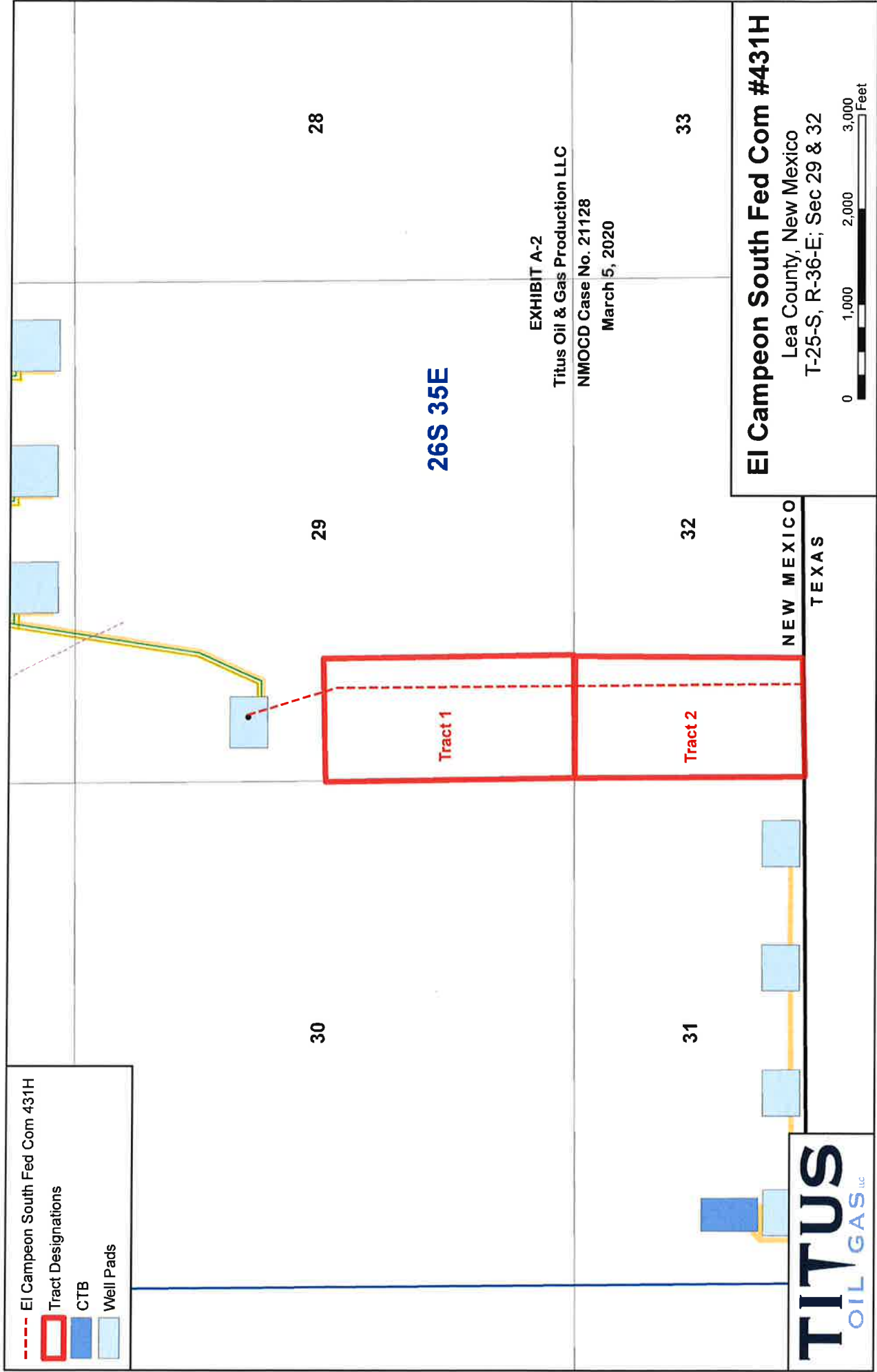
Reed Brunette
Notary Public

My Commission expires 11/15/2022.

18

18





--- El Campeon South Fed Com 431H

Tract Designations

CTB

Well Pads

26S 35E

EXHIBIT A-2
Titus Oil & Gas Production LLC
NMOCD Case No. 21128
March 5, 2020

El Campeon South Fed Com #431H

Lea County, New Mexico
T-25-S, R-36-E; Sec 29 & 32

0 1,000 2,000 3,000 Feet

NEW MEXICO
TEXAS

TITUS
OIL & GAS LLC

**El Campeon South Fed Com 431H
Lea County, New Mexico**

Tract 1 - USA NMNM 139373	WI	ORRI
Franklin Mountain Energy, LLC	100%	
Franklin Mountain Royalty Investments, LLC		12.50%

Tract 2 - State of New Mexico VB-2563	WI	ORRI
Titus Oil & Gas Production, LLC	100%	
Lenox Minerals, LLC		6.25%

**EXHIBIT A-3
Titus Oil & Gas Production LLC
NMOCD Case No. 21128
March 5, 2020**

OWNERSHIP BREAKDOWN

CONTRACT AREA:

T26S-R35E

Section 29: W/2 SW/4

Section 32: Lot 4, NW/4 NW/4

Lea County New Mexico, containing 153.86 acres, more or less.

DEPTH RESTRICTIONS:

None.

INTERESTS:

<u>Interest Owners</u>	<u>Working Interest</u>
Titus Oil & Gas Production, LLC 420 Throckmorton Street, Suite 1150 Fort Worth, TX 76102 wjones@titusoil.com Attn: Land Department	48.00468%
Franklin Mountain Energy, LLC 2401 East 2 nd Avenue, Suite 300 Denver, CO 80206	51.99532%
Total:	100.0000%

SUBJECT OIL AND GAS LEASES

Lessor: United States of America – USA NMNM 139373
Lessee: Franklin Mountain Energy, LLC
Date: November 1, 2019
Description: W/2 SW/4 of Section 29, T26S, R35E, NMPM
Lea County, NM

Lessor: State of New Mexico VB-2563
Lessee: Reagan Smith Energy Solutions, Inc.
Date: August 1, 2015
Description: Lots 1, 2, 3, 4, N/2 N/2 (All) of Section 32, T26S, R35E, NMPM
Lea County, NM

PARTY TO BE POOLED:

Franklin Mountain Energy, LLC

EXHIBIT A-4
Titus Oil & Gas Production LLC
NMOCD Case No. 21128
March 5, 2020

Chronology of Contact with Non-Joined Working Interests

Contact	Type	Notes	Contact Info
Franklin Mountain	Emails and Phone Calls	<p>10/4/2019 - corrected proposals and followed up with email.</p> <p>11/11/2019 - discussed trade or option to spread interest among other lands.</p> <p>11/12/2019 - FM provided their newly issued lease and assignment of ORRI.</p> <p>11/21/2019 - FM followed up regarding trade options or other arrangement. This was not of interest to Titus.</p> <p>1/7/2020 - Titus provided full JOA for review</p> <p>1/16/2020 - FM advised Titus that it is likely to participate, but couldn't finalize the JOA at this time. Proceeding with pooling.</p>	<p>Shelly Albrecht salbrecht@fmlc.com</p> <p>Brandon White bwhite@fmlc.com</p>

EXHIBIT A-5
Titus Oil & Gas Production LLC
NMOCD Case No. 21128
March 5, 2020

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
		98234		WC-025 G-09 5263619C; Wolfcamp	
4 Property Code		5 Property Name			6 Well Number
		EL CAMPEON SOUTH FED COM			431H
7 OGRID No.		8 Operator Name			9 Elevation
373986		TITUS OIL & GAS PRODUCTION LLC			3170'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	29	26-S	35-E		1828'	NORTH	682'	WEST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	32	26-S	35-E		10'	SOUTH	989'	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
160	Y		

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.

	<p>17 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.</p> <p>Signature: <i>[Signature]</i> Date: 1/15/2020 Ryan DeLong - Regulatory Manager Printed Name rdelong@titusoil.com E-mail Address</p>
	<p>18 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 supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: 01/14/2020 Signature and Seal of Professional Surveyor: <i>[Signature]</i> Certificate Number: 25036</p>
	<p>SURFACE HOLE LOCATION (SHL) NEW MEXICO EAST - NAD 83 X= 831936.74 LAT.= 32.01650648° N Y= 371004.72 LONG.= 103.39573081° W NEW MEXICO EAST - NAD 27 X= 790748.32 LAT.= 32.01637998° N Y= 370947.61 LONG.= 103.39527113° W 1828' FNL, 682' FWL - SECTION 29</p>
	<p>FIRST TAKE POINT (FTP) NEW MEXICO EAST - NAD 83 X=832253.66 LAT.= 32.01399141° N Y=370092.44 LONG.= 103.39473396° W NEW MEXICO EAST - NAD 27 X=791065.20 LAT.= 32.01386489° N Y=370035.36 LONG.= 103.39427445° W 2543' FSL, 989' FWL - SECTION 29 100' FNL, 330' FEL - LEASE</p>
<p>LAST TAKE POINT (LTP) NEW MEXICO EAST - NAD 83 X=832301.14 LAT.= 32.00056721° N Y=365208.90 LONG.= 103.39471758° W NEW MEXICO EAST - NAD 27 X=791112.46 LAT.= 32.00044062° N Y=365151.94 LONG.= 103.39425884° W 100' FSL, 989' FWL - SECTION 32 100' FSL, 330' FEL - LEASE</p>	<p>BOTTOM HOLE LOCATION (BHL) NEW MEXICO EAST - NAD 83 X=832302.04 LAT.= 32.00031983° N Y=365118.90 LONG.= 103.39471720° W NEW MEXICO EAST - NAD 27 X=791113.36 LAT.= 32.00019324° N Y=365061.95 LONG.= 103.39425847° W 10' FSL, 989' FWL - SECTION 32 10' FSL, 330' FEL - LEASE</p>

EXHIBIT A-6

Titus Oil & Gas Production LLC

NMOCD Case No. 21128

March 5, 2020

Titus Oil & Gas Production, LLC
100 Throckmorton St., Suite 1630
Fort Worth, Texas 76102

October 4, 2019

Sent via EMAIL

Franklin Mountain Energy
2401 E. 2nd Ave., Ste. #300
Denver, Colorado 80206

RE: El Campeon South 29-32 Fed 431H Well Proposal
T26S-R35E
Lea County, New Mexico

Dear Working Interest Owner,

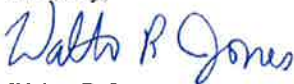
Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the El Campeon South 29-32 Fed 431H ("Subject Well") to an approximate True Vertical Depth of 12,741' and an approximate Total Measured Depth of 18,271' in order to test the Wolfcamp formation. The proration unit will cover the W2SW4 of Section 29 and the NWNW, Lot 4 of Section 32, T26S-R35E, Lea County, New Mexico.

The estimated cost of drilling, completing, and equipping the Subject Well is \$7,789,706, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated May 9, 2019. The Subject Well's surface location will be located approximately 2234' FNL and 664' FWL of Section 29, T26S-R35E. The Subject Well's bottom-hole location will be approximately 0' FSL and 690' FWL of Section 32, T26S-R35E. The Subject Well's first take point will be approximately 2540' FSL and 690' FWL of Section 29, T26S-R35E, and the last take point will be approximately 100' FSL and 690' FWL of Section 32, 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 610-1989H Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover the wellbore only of the Subject Well.

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@titusoil.com

EXHIBIT A-7
Titus Oil & Gas Production LLC
NMOCD Case No. 21128
March 5, 2020

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 South 29-32 Fed 431H.

_____ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the El Campeon South 29-32 Fed 431H.

_____ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

Franklin Mountain Energy

By: _____

Printed Name: _____

Title: _____

Date: _____

Titus Oil & Gas Production, LLC						
Well Name	El Campeon South 29-32 Fed 431H			MD' / TVD'	18,271'	12,741'
Legal	W2SW4 of Section 29 and the NWNW, Lot 4 of Section 32, T26S-R35E			Cty / State	Lea County, NM	
Formation	Wolfcamp A			Field	Sanders Tank	
INTANGIBLE COSTS	Sub-Code	DRILL (210)	COMPL (220)	PROD (230)	FAC (240)	TOTAL
Legal/title/curative	02	25,000	-	-	-	25,000
ROW Damages	03	20,000	2,698	-	-	22,698
Permit/Survey/Stake	04	20,000	-	-	-	20,000
Insurance	05	15,000	-	-	-	15,000
Location/Pits/Road Expense	06	200,000	-	-	-	200,000
Seismic	07	-	-	-	-	-
Offset Well Prep	08	-	-	-	-	-
D&C Overhead	10	2,600	-	-	-	2,600
Company Supervision	11	13,000	-	-	-	13,000
Contract Supervision	12	112,580	74,856	8,678	-	196,114
Contract Engineering/Geology	13	-	-	-	-	-
Contract Labor	14	6,500	-	32,040	81,817	120,357
Contract Roustabout	15	-	1,619	-	-	1,619
Contract Rig	16	683,000	143,696	24,936	-	851,631
Mob/Trucking/Heavy equipment	20	175,000	277,955	7,422	25,888	486,266
Directional Drilling Services	21	330,000	-	-	-	330,000
Closed Loop	22	242,000	-	-	-	242,000
Waste Disposal	23	-	12,684	104,111	-	116,795
Mudlogging & Geosteering	24	32,000	-	-	-	32,000
Formation Evaluation (Open Hole/ Cased Hole/ Co	25	-	9,000	-	-	9,000
Perforating and Wireline Services	26	-	120,781	7,422	-	128,204
Slickline/Swabbing Services	27	-	-	-	-	-
Fishing Tools & Services	28	-	-	-	-	-
Fluid Hauling	29	-	24,364	179,730	-	204,094
Services Wellhead/Welding/Pressure Control	30	15,000	39,923	5,710	-	60,633
Stimulation	31	-	1,174,620	-	-	1,174,620
Water Treatment/Transfer	32	-	-	-	-	-
Flowback Services	33	-	6,859	107,177	-	114,036
Services Inspection	34	22,500	-	-	-	22,500
Rental Surface	50	125,000	236,115	-	-	361,115
Rental Subsurface	51	75,000	-	-	-	75,000
Fuel & Power	60	105,000	2,783	-	-	107,783
Bits	61	114,000	-	-	-	114,000
Casing Equipment & Services	62	100,000	-	-	-	100,000
Temporary Packers/Plugs	63	-	35,068	13,726	-	48,793
Mud & Chemicals	64	200,000	-	-	-	200,000
Water	65	40,000	315,608	-	-	355,608
Cement	66	145,000	-	-	-	145,000
Sand	67	-	313,584	-	-	313,584
Material Consumables	68	-	2,698	-	-	2,698
Plugging & Abandonment	98	-	-	-	-	-
Misc - Other	99	-	139,746	24,548	5,385	169,678
Total Intangibles		\$ 2,818,180	\$ 2,934,656	\$ 515,500	\$ 113,090	\$6,381,425
TANGIBLE COSTS		DRILL (215)	COMPL (225)	PROD (235)	FAC (245)	TOTAL
Surface Casing	02	65,000	-	-	-	65,000
Intermediate Casing	03	273,000	-	-	-	273,000
Production Casing	04	351,000	-	-	-	351,000
Tubing	05	-	-	39,967	-	39,967
Wellhead & Production Tree	06	75,000	80,925	7,323	-	163,248
Packers/Liner Hangers	07	-	-	-	-	-
Artificial Lift Equipment Subsurface	08	-	-	66,231	-	66,231
Compressor	20	-	-	34,923	-	34,923
Tanks	21	-	-	-	156,693	156,693
Production Vessels	22	-	-	-	52,231	52,231
Gas Conditioning/ Dehydration	23	-	-	-	-	-
Flow Lines	24	-	-	-	112,568	112,568
Gathering Lines	25	-	-	-	-	-
Valves, Dumps, Controllers	26	-	-	-	9,193	9,193
Electrical/Grounding	27	-	-	-	15,669	15,669
Flares/Combustion/Emission	28	-	-	-	12,065	12,065
Meters/LACT/Instrumentation	29	-	-	-	18,547	18,547
Permanent Equipment Installation	30	-	-	-	-	-
Communication	31	-	-	-	28,727	28,727
Other - Surface Material	40	-	-	9,220	-	9,220
Other - Subsurface Material	50	-	-	-	-	-
Total Tangibles		\$ 764,000	\$ 80,925	\$ 157,663	\$ 405,693	\$1,408,281
Total DC&E		\$ 3,582,180	\$ 3,015,581	\$ 673,163	\$ 518,783	\$7,789,706
Drilling Engineer	Tim Smith					
Completion Engineer	Evan Hinkel					



**MONTGOMERY
& ANDREWS**
LAW FIRM

SHARON T. SHAHEEN
Direct: (505) 986-2678
Email: sshaheen@montand.com
www.montand.com

February 14, 2020

Via U.S. Certified Mail, return receipt requested

TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 21128 – Application of Titus Oil & Gas Production, LLC, for
Compulsory Pooling, Lea County, New Mexico – **El Campeon South 29-
32 Fed 431H**

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Titus Oil & Gas Production, LLC ("Titus") has filed an application with the New Mexico Oil Conservation Division for an order regarding the proposed well described below. You are receiving this notice because you may have an interest in this well.

Case No. 21128: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C [98234]) in a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the W/2 SW/4 of Section 29, Township 26 South, Range 35 East, and the NW/4 NW/4 and Lot 4 of Section 32, Township 26 South, Range 35 East, in Lea County, New Mexico. Section 32 is an irregular section that sits on the Texas border in which the NW/4 NW/4 and Lot 4 would effectively comprise the W/2 NW/4 if it were a standard 640-acre section. Said horizontal spacing unit is to be dedicated to the proposed **El Campeon South 29-32 Fed 431H** well, to be horizontally drilled from an approximate surface hole location 1834' FNL and 664' FWL of Section 29-T26S-R35E, to an approximate bottom hole location 0' FSL and 690' FWL of the 320-acres in Section 32-T26S-R35E. The completed interval and first and last take points for the **El Campeon South 29-32 Fed 431H** well will meet statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289
Post Office Box 2307
Santa Fe, New Mexico 87504-2307

EXHIBIT A-8

Titus Oil & Gas Production LLC
NMOCD Case No. 21128
March 5, 2020

All Interest Owners
February 14, 2020
Page 2

completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 14 miles southwest of Jal, New Mexico.

The attached Application will be set for hearing before a Division Examiner on **March 5, 2020, at 8:15 a.m.** at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **February 27, 2020**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about this Application.

Very truly yours,



Sharon T. Shaheen

STS/lt
Enclosure
cc: Titus Oil & Gas Production, LLC, *via email*

EXHIBIT A

INTEREST OWNERS

El Campeon South 29-32 Fed 431H, Lea County, NM

Working Interest:

Franklin Mountain Energy, LLC
2401 East 2nd Avenue
Suite 300
Denver, CO 80206

ORRI:

Franklin Mountain Royalty
Investments, LLC
2401 East 2nd Avenue, Suite 300
Denver, CO 80206

Additional Interested Parties:

Bureau of Land Management
414 W. Taylor
Hobbs, NM 88240-1157

NM State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

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

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

Case No. 21128

APPLICATION

Titus Oil & Gas Production, LLC ("Titus"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Wolfcamp formation (WC-025 G-09 S263619C [98234]) in a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the W/2 SW/4 of Section 29, Township 26 South, Range 35 East, and the NW/4 NW/4 and Lot 4 of Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Section 32 is an irregular section on the Texas border in which the NW/4 NW/4 and Lot 4 would effectively comprise the W/2 NW/4 if it were a standard 640-acre section. In support of its application, Titus states as follows:

1. Titus is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Titus proposes to horizontally drill the 1-mile **El Campeon South 29-32 Fed 431H** well from an approximate surface hole location 1834' FNL and 664' FWL of Section 29-T26S-R35E, to an approximate bottom hole location 0' FSL and 690' FWL of the 320-acre Section 32-T26S-R35E.

3. The completed interval and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.

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

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

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

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 5, 2020, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the W/2 SW/4 of Section 29, Township 26 South, Range 35 East, and the NW/4 NW/4 and Lot 4 of the 320-acre Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico;

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

C. Allowing the drilling of the El Campeon South 29-32 Fed 431H well in the proposed HSU;

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

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

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

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

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

John F. McIntyre

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

sshahen@montand.com

jmcintyre@montand.com

Attorneys for Titus Oil & Gas Production, LLC

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

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

Case No. 21128

AFFIDAVIT OF ALLEN FRIERSON

I, being duly sworn on oath, state the following:

1. I am over the age of 18, and have the capacity to execute this Affidavit, which is based on my personal knowledge.
2. I am a petroleum geologist employed as the Geology Manager for Titus Oil & Gas Production, LLC ("Titus"), and I am familiar with the subject application and the geology involved.
3. This affidavit is submitted in connection with the filing by Titus of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology matters. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record. My education and work experience are as follows: I graduated from Washington & Lee University with a bachelor of science degree in geology. I received a master of science degree in geology from Colorado School of Mines and a MBA from the University of Oklahoma. I have been employed at Titus as a petroleum geologist since 2017 to the present. Prior to working at Titus, I was with Devon Energy from 2013 to 2017. I have been working on New Mexico oil and gas matters for approximately five years.
5. **Exhibit B-1** is a geological summary for the **El Campeon South Fed Com 431H** well ("431H").

EXHIBIT B
Titus Oil & Gas Production LLC
NMOCD Case No. 21128
March 5, 2020

6. **Exhibit B-2** is a locator map with the cross-section indicated.

7. **Exhibit B-3** is the spacing unit schematic for the 431H, which illustrates the location of the horizontal spacing unit outlined by a red-hashed polygon; the approximate location of the proposed well; and the wells in the two-well cross-section referenced in Exhibit B-4.

8. **Exhibit B-4** is a Wolfcamp stratigraphic cross-section portraying a triple combo log. Track 1 is the gamma ray log and scaled from 0 to 150 api units. Track 2 are neutron (blue) and density (red) porosity logs scaled from 40% to -10%. The green shading on the density porosity log is greater than 6%. Track 3 is the deep resistivity log from 0.2 ohmm to 2000 ohmm. The red shading on this curve is greater than 20 ohmm. A combination of these logs were used to determine “pay” and select the landing zone for the 431H. The cross-section identifies the key tops used to evaluate reservoirs and landing targets for the 431H. A simplified wellbore for the 431H is on the cross-section showing the landing target interval in the Northwest to Southeast Wolfcamp stratigraphic cross-section.

9. **Exhibit B-5** is a Gunbarrel diagram of the 431H. This shows the approximate landing zone in reference to the type log for the area, and the associated spacing of the wellbore within the quarter-section width HSU. 990’ FWL of Section and 330’ FEL of HSU.

10. **Exhibit B-6** is a Wolfcamp structure map. The acreage in which Applicant owns an interest in the proposed HSU is within the red-hashed polygon. The contour intervals of the structure map are 20’ contour intervals and are green lines on the map with depth labels. Data control points are posted in pink. I do not observe any faulting, pinch-outs, or other geologic impediments or hazards to developing this targeted interval with a horizontal well.

11. **Exhibit B-7** is a Wolfcamp isopach map. It is formatted similarly to the previous structure map (Exhibit B-6). However, contour intervals are 10’ on this map. The 431H lateral is

placed in a zone that is consistently greater than 310'-thick for the entirety of the lateral. This isopach map further supports that there are no interpreted faults, pinch-outs, or other geologic impediments or hazards to developing this targeted interval with a horizontal well.

12. Based on my geologic study of the area, I conclude the following:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production.
- d. The preferred well orientation in this area is north-south. This is because the inferred orientation of the maximum horizontal stress is roughly east-west.

13. The Exhibits to this Affidavit were prepared by me, or compiled from Titus's business records.

14. The granting of this Application is in the interests of conservation and the prevention of waste.

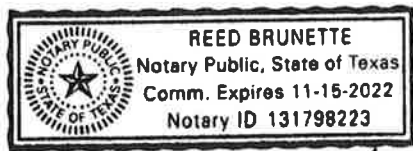
15. The foregoing is correct and complete to the best of my knowledge and belief.


FURTHER AFFIANT SAYETH NAUGHT


Allen Frierson

STATE OF TEXAS)
)ss
COUNTY OF TARRANT)

Subscribed to and sworn before me this 4 day of March, 2020.




Notary Public

My Commission expires 11/15/2022.

Summary

Wolfcamp Pooling – Lea County, New Mexico

Titus Oil & Gas Production, LLC seeks to pool all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C [98234]) in a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the W/2 SW/4 of Section 29, Township 26 South, Range 35 East, and the NW/4 NW/4 and Lot 4 of Section 32, Township 26 South, Range 35 East, in Lea County, New Mexico. Section 32 is an irregular section that sits on the Texas border in which the NW/4 NW/4 and Lot 4 would effectively comprise the W/2 NW/4 if it were a standard 640-acre section. Said horizontal spacing unit is to be dedicated to the proposed **El Campeon South Fed Com 431H** well, to be horizontally drilled from an approximate surface hole location 1828' FNL and 682' FWL of Section 29-T26S-R35E, to an approximate bottom hole location 10' FSL and 989' FWL of the irregular Section 32-T26S-R35E. The completed interval and first and last take points for the **El Campeon South Fed Com 431H** well will meet statewide setback requirements for horizontal oil wells. The well will target the Wolfcamp A Shale at an approximate True Vertical Depth of 12,741'.

The well will be drilled from north-to-south for a couple of reasons. Published literature related to the maximum horizontal stress in this part of the Delaware Basin supports a near east-to-west orientation; thus, preferred drilling orientation is orthogonal to this in order to complete a more successful stimulation. Also, this aligns with the remainder of Titus' planned development in the adjoining tracts, and therefore, doesn't strand any acreage or reserves.

No depth severances apply.



See attached exhibits for spacing unit schematic, gunbarrel/lateral trajectory schematic, and horizontal spacing unit cross-section.

EXHIBIT B-1

Titus Oil & Gas Production LLC
NMOCD Case No. 21128

Locator Map

With Cross-Section

-  Pooling outline
-  Cross-Section line

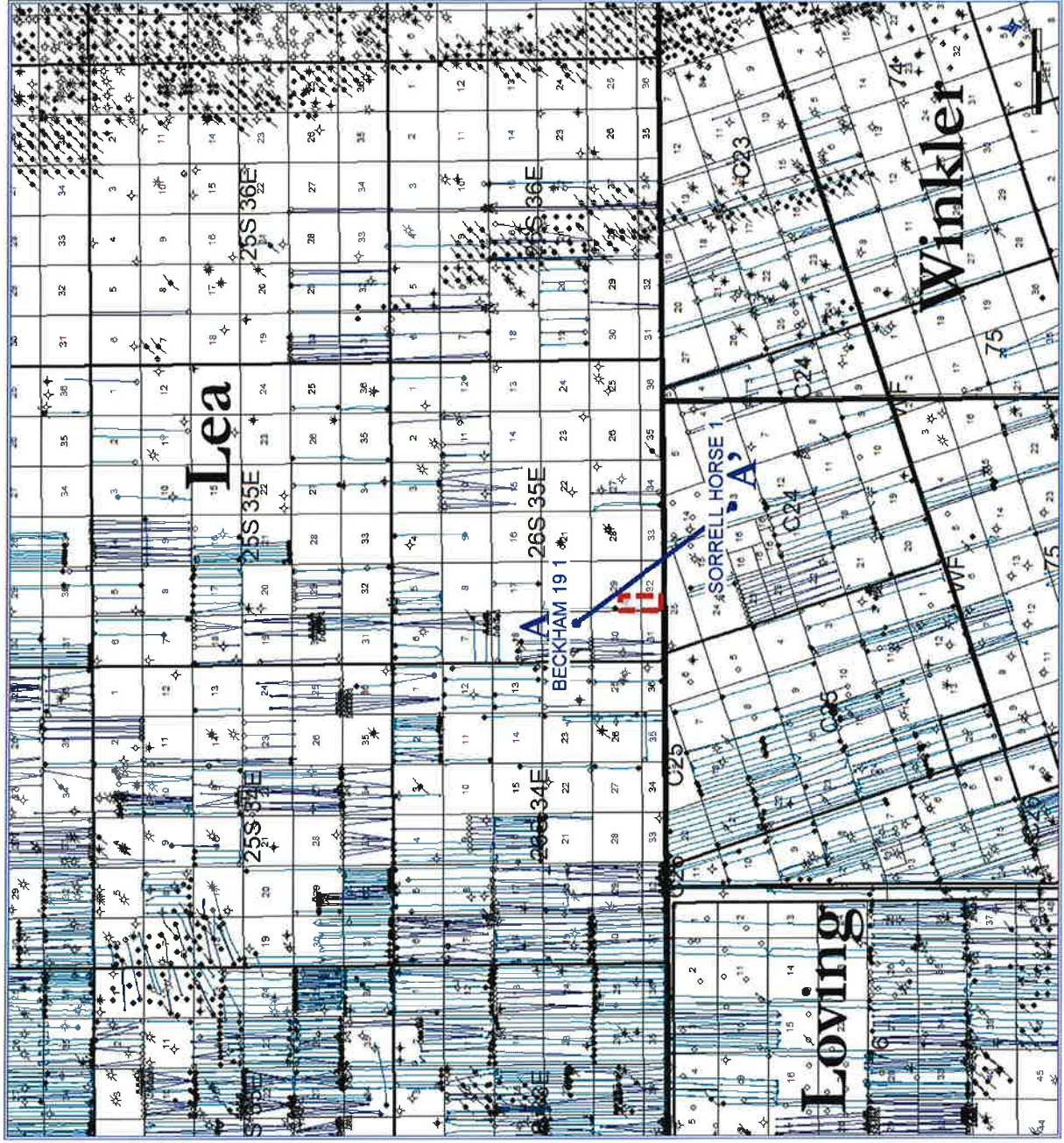
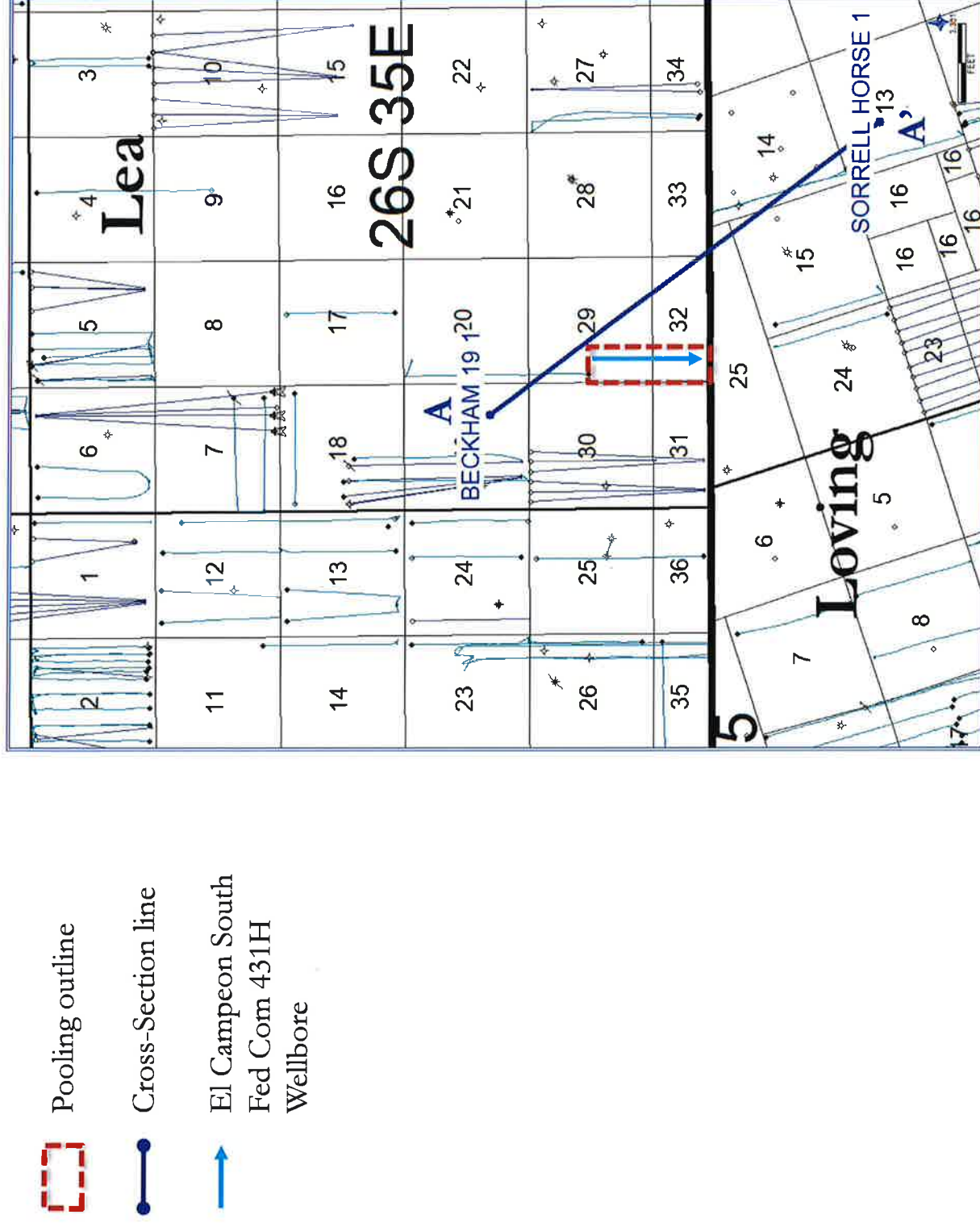


EXHIBIT B-2
 Titus Oil & Gas Production LLC
 NMOCD Case 21128
 March 5, 2020

Spacing Unit Schematic

With Approximate Well Location






-  Pooling outline
-  Cross-Section line
-  El Campeon South Fed Com 431H Wellbore

EXHIBIT B-3
Titus Oil & Gas Production LLC
NMOCD Case No. 21128
March 5, 2020

HSU Cross-Section

Petrophysical Logs Support Wolfcamp A Shale Target / Landing Zone

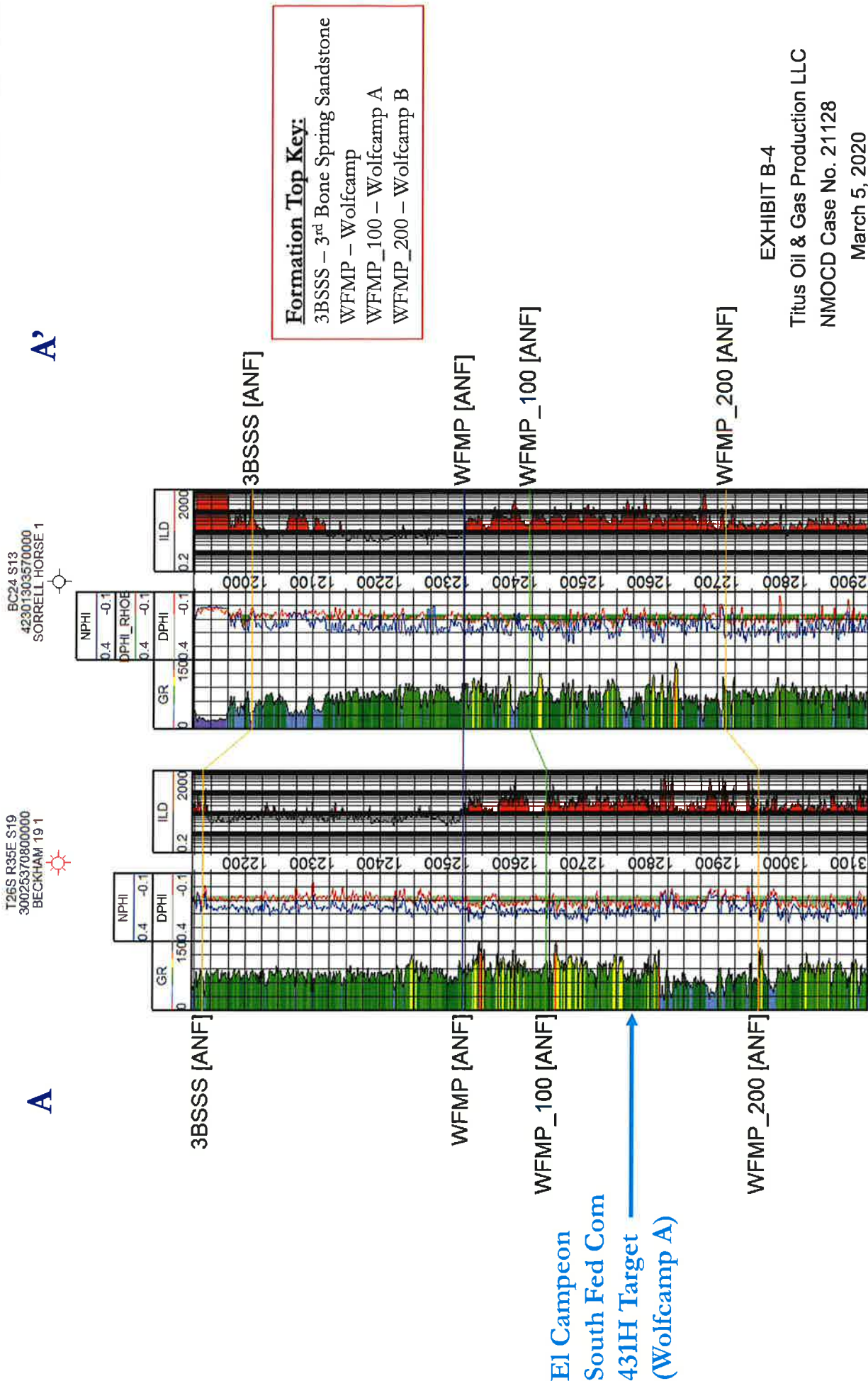


EXHIBIT B-4
 Titus Oil & Gas Production LLC
 NMOCD Case No. 21128
 March 5, 2020

Titus' El Campeon South Horizontal Spacing Unit Gunbarrel

El Campeon South Fed Com 431H – Wolfcamp A target

EXHIBIT B-5

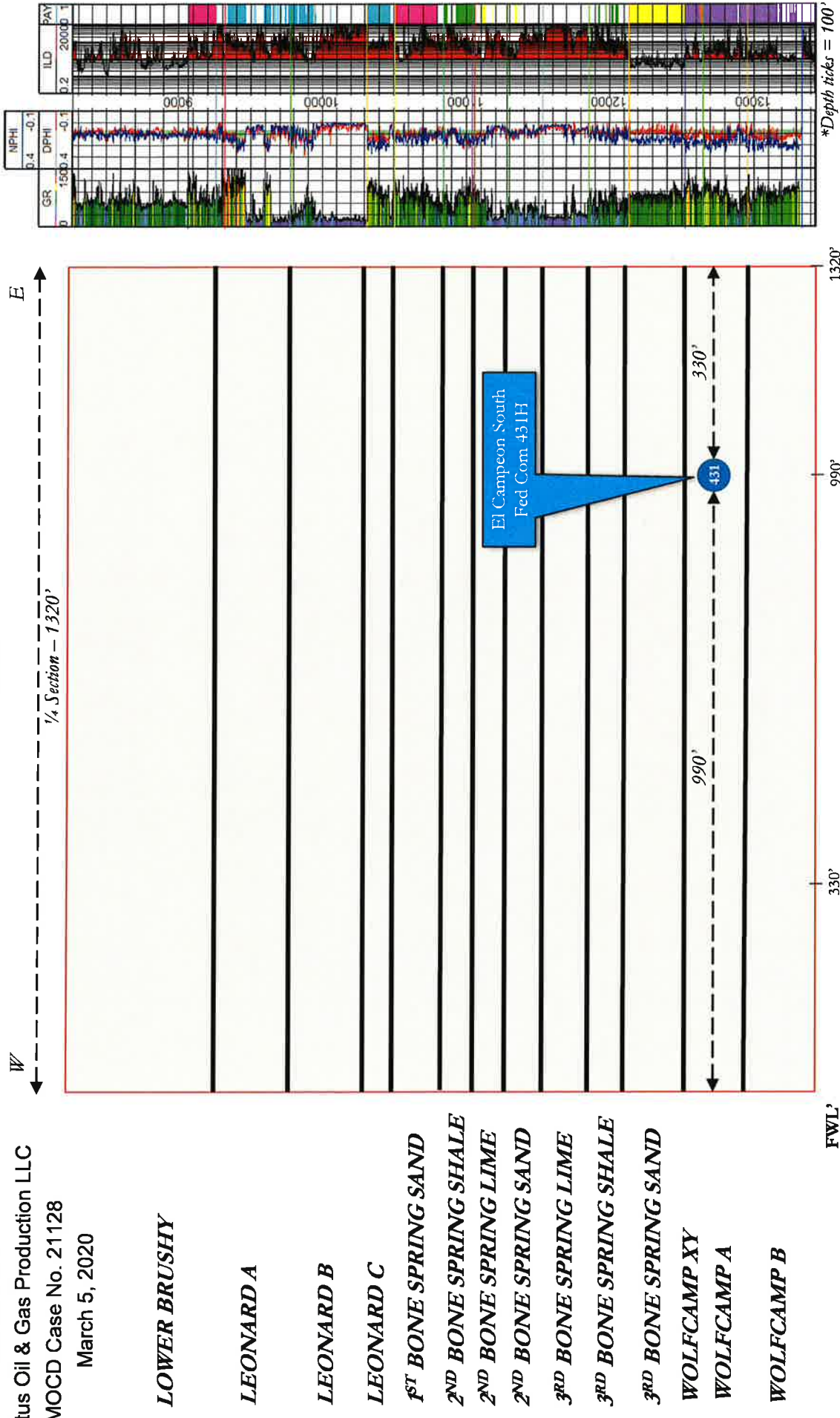
Titus Oil & Gas Production LLC

NMOCD Case No. 21128

March 5, 2020

El Campeon South
HSU

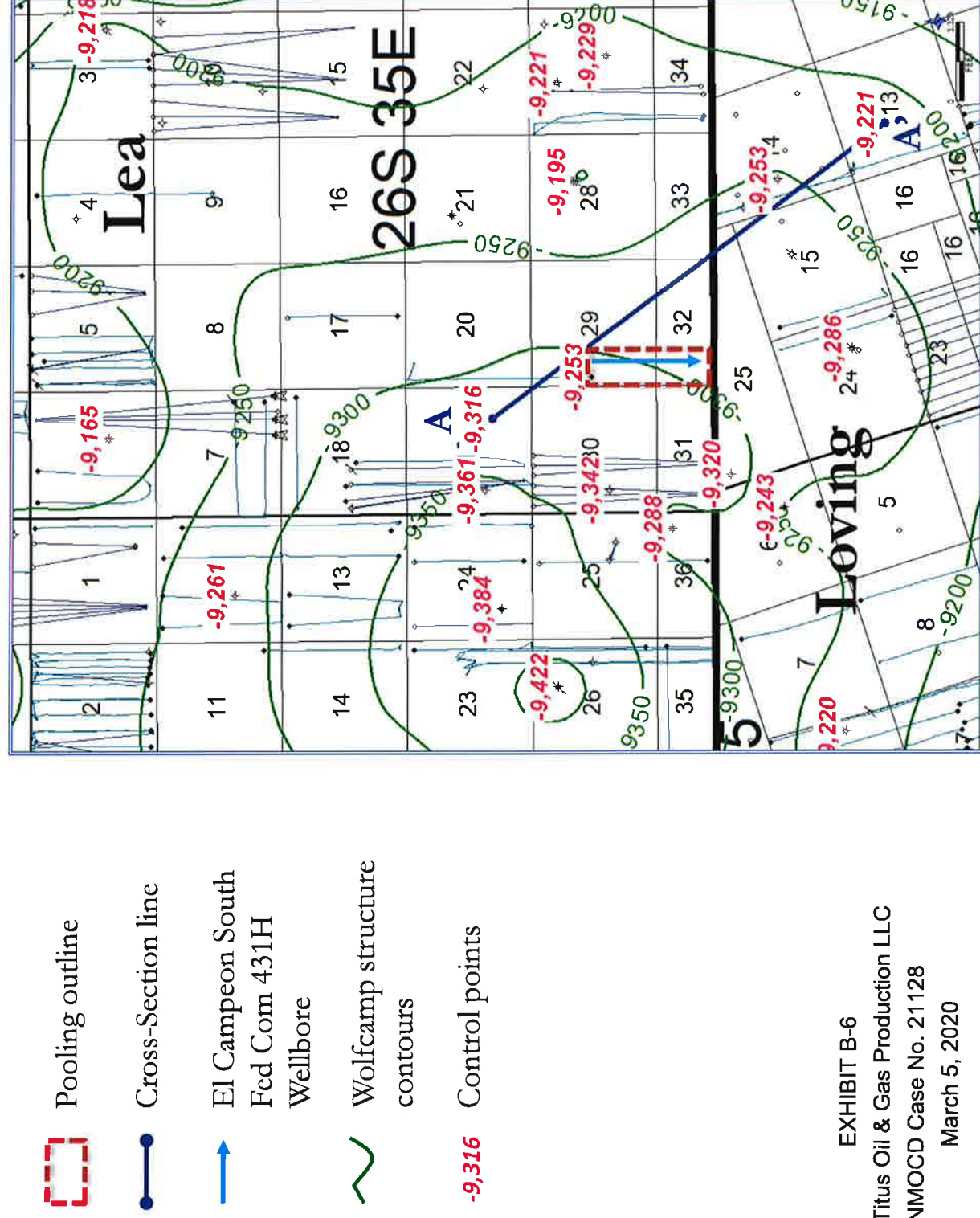
Beckham 19 1
Sec. 19 – 26S – 35E



Wolfcamp Structure Map

Contour Interval: 20 ft.

Subsea Depth



Wolfcamp Isopach Map

Contour Interval: 10 ft.

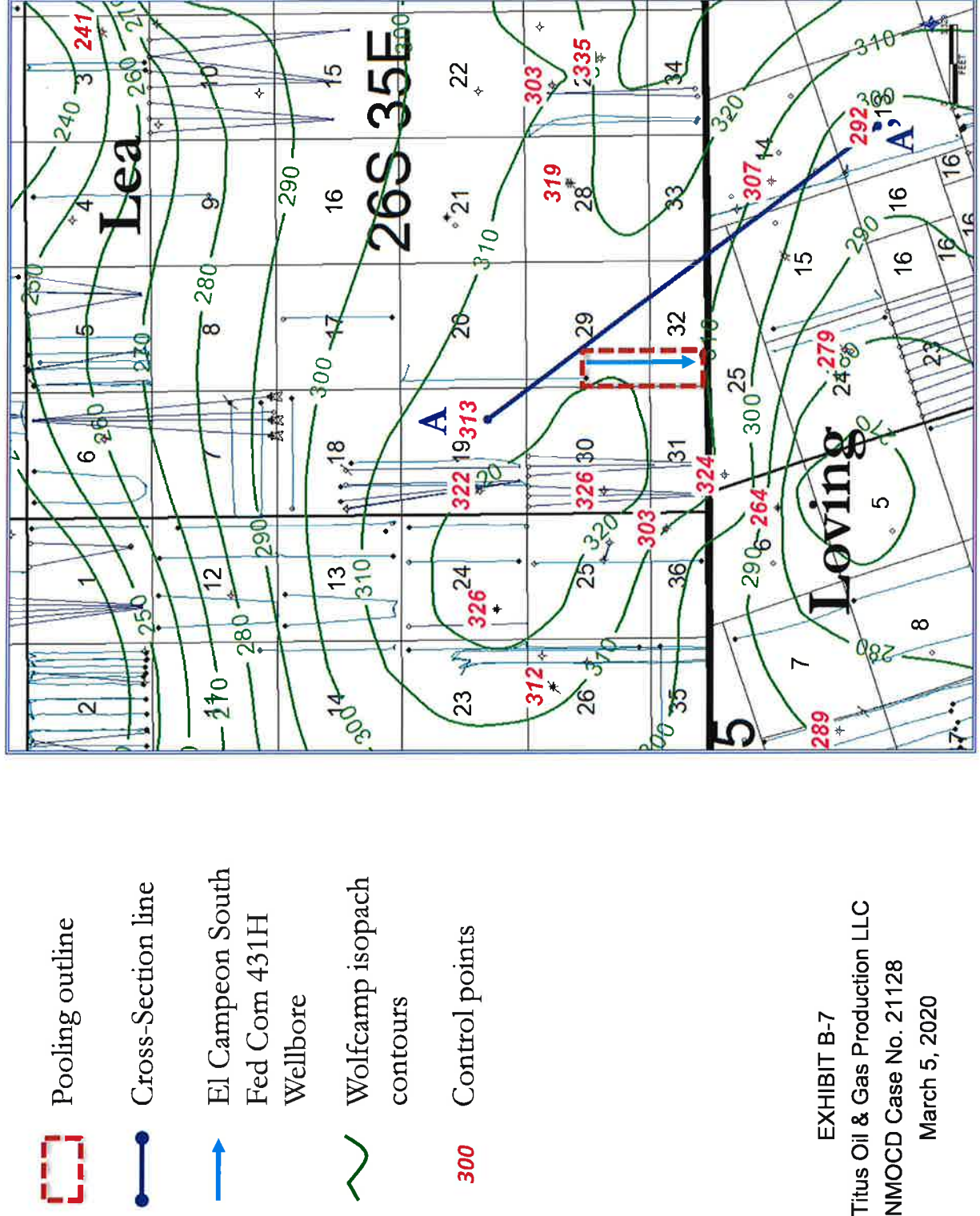


EXHIBIT B-7

Titus Oil & Gas Production LLC
NMOCD Case No. 21128

March 5, 2020

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

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

CASE NO. 21128

AFFIDAVIT OF NOTICE

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

I, Sharon T. Shaheen, attorney for TITUS OIL & GAS PRODUCTION, LLC, ("Titus"), the Applicant in the above-captioned matter, being first duly sworn, upon oath and state the following:

2. I caused notice of the application to be sent by certified mail through the United States Postal Service ("USPS") on February 14, 2020, to all uncommitted interest owners sought to be pooled in this proceeding. Evidence of mailing to all parties and proof of receipt to all of the parties is attached hereto as Exhibit A. In an abundance of caution, notice was directed to all owners to whom notice was mailed by publication in the Hobbs News-Sun on February 20, 2020, which is reflected in the Affidavit of Publication attached hereto as Exhibit B. Exhibit B demonstrates to my satisfaction that those owners who did not receive personal notice through the certified mailing were properly served by publication.

3. Titus has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the Application filed herein.

EXHIBIT C
Titus Oil & Gas Production LLC
NMOCD Case No. 21128
March 5, 2020


SHARON T. SHAHEEN

SUBSCRIBED AND SWORN to before me this 4th day of March, 2020.



Lorraine B. Palacios
Notary Public

My Commission Expires:

4-30-2022

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •



MONTGOMERY
& ANDREWS
LAW FIRM

P.O. Box 2307
Santa Fe, New Mexico 87504-2307

Titus/El Campeon
15412-2001/STS

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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.

1. Article Addressed to:

Franklin Mountain Energy, LLC
2401 East 2nd Avenue
Suite 300
Denver, CO 80206

2. Article Number
(Transfer from service label)

7014 0150 0000 5153 0286

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

CERTIFIED MAIL™



7014 0150 0000 5153 0286
7014 0150 0000 5153 0286

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$

Sent To Franklin Mountain Energy, LLC
2401 East 2nd Avenue
Suite 300
City, State, ZIP+4 Denver, CO 80206

PS Form 3800, August 2006

See Reverse for Instructions

SANTA FE NM
FEB 14 2020
USPO 87504

EXHIBIT A

UNITED STATES POSTAL SERVICE

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

MONTGOMERY
& ANDREWS
LAW FIRMP.O. Box 2307
Santa Fe, New Mexico 87504-2307Titus/El Campeon
15412-2001/STS

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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.

1. Article Addressed to:

Franklin Mountain Royalty Investments, LLC
2401 East 2nd Avenue, Suite 300
Denver, CO 802062. Article Number
(Transfer from service label)

7014 0150 0000 5153 0293

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?
If YES, enter delivery address below: ☒ Yes ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ YesPLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE
CERTIFIED MAIL™7014 0150 0000 5153 0293
7014 0150 0000 5153 0293U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

SANTA FE NM
Postmark
FEB 14 2004
USPO 87504

Sent To	Franklin Mountain Royalty Investments, LLC
Street, Apt. No. or PO Box No.	2401 East 2 nd Avenue, Suite 300
City, State, ZIP+4	Denver, CO 80206

PS Form 3800, August 2000

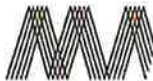
See Reverse for Instructions

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •



MONTGOMERY
& ANDREWS
LAW FIRM

P.O. Box 2307
Santa Fe, New Mexico 87504-2307

Titus/El Campeon
15412-2001/STS

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- 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.

1. Article Addressed to:

Bureau of Land Management
414 W. Taylor
Hobbs, NM 88240-1157

2. Article Number
(Transfer from service label)

7014 0150 0000 5153 0309

PS Form 3811, February 2004

Domestic Return Receipt

102598-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Hackford

☐ Agent

☐ Addressee

B. Received by (Printed Name)

HACKFORD

C. Date of Delivery

2-18-2020

D. Is delivery address different from Item 1? ☐ Yes

If YES, enter delivery address below: ☒ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

U.S. Postal Service[®]

CERTIFIED MAIL[™] RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$

SANTA FE NM

Postmark

FEB 18 2020

USPO 87504

Sent To Bureau of Land Management

414 W. Taylor

Street, Apt. No.,
or PO Box Hobbs, NM 88240-1157

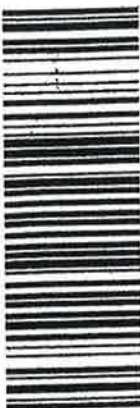
City, State, ZIP+4

PS Form 3800, August 2006

See reverse for instructions

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL[™]



7014 0150 0000 5153 0309
7014 0150 0000 5153 0309

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •



MONTGOMERY
& ANDREWS
LAW FIRM

P.O. Box 2307
Santa Fe, New Mexico 87504-2307

Titus / El Campeon
154121901 / STS

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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.

1. Article Addressed to:

NM State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

2. Article Number
(Transfer from service label)

7014 0150 0000 5153 0316

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL™



7014 0150 0000 5153 0316
7014 0150 0000 5153 0316

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

SANTA FE NM
Postmark
FEB 14 2020
USPO 87504

Sent NM State Land Office
310 Old Santa Fe Trail
Street, Apt. No.
or P.O. Box No.
Santa Fe, NM 87501
City, State, ZIP+4

PS Form 3800, August 2006

See Reverse for Instructions

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
February 20, 2020
and ending with the issue dated
February 20, 2020.



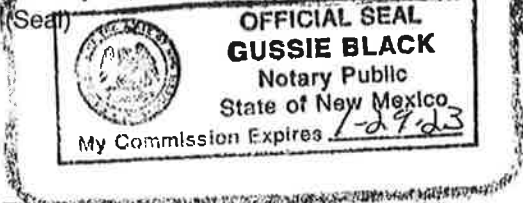
Publisher

Sworn and subscribed to before me this
20th day of February 2020.



Business Manager

My commission expires
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE FEBRUARY 20, 2020

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns, and any other uncommitted interest owners:

Franklin Mountain Energy, LLC; Franklin Mountain Royalty Investments, LLC; New Mexico State Land Office; and Bureau of Land Management.

Titus Oil & Gas Production, LLC, has filed an application with the New Mexico Oil Conservation Division as follows:

Case No. 21128: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C [98234]) in a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the W/2 SW/4 of Section 29, Township 26 South, Range 35 East, and the NW/4 NW/4 and Lot 4 of Section 32, Township 26 South, Range 35 East, in Lea County, New Mexico. Section 32 is an irregular section that sits on the Texas border in which the NW/4 NW/4 and Lot 4 would effectively comprise the W/2 NW/4 if it were a standard 640-acre section. Said horizontal spacing unit is to be dedicated to the proposed **El Campeon South 29-32 Fed 431H** well, to be horizontally drilled from an approximate surface hole location 1834' FNL and 664' FWL of Section 29-T26S-R35E, to an approximate bottom hole location 0' FSL and 690' FWL of the 320-acres in Section 32-T26S-R35E. The completed interval and first and last take points for the **El Campeon South 29-32 Fed 431H** well will meet statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 14 miles southwest of Jal, New Mexico.

Hearing on these applications will proceed before a Division Examiner on March 5, 2020, at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. For further information, contact the applicant's attorney, Sharon T. Shaheen, Montgomery & Andrews, P.A., 325 Paseo de Peralta, Santa Fe, New Mexico 87501, (505) 986-2678.
#35226

01101398

00239668

SHARON T. SHAHEEN
MONTGOMERY & ANDREWS, P.A.
P.O. BOX OFFICE BOX 2307
A/C 451986
SANTA FE,, NM 87504-2307

EXHIBIT B