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. 21200

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

Case No. 21201

PRE-HEARING STATEMENT

TITUS OIL & GAS PRODUCTION, LLC ("Titus"), provides this Pre-Hearing Statement

as required by the rules of the Division.

APPEARANCES

APPLICANT

TITUS OIL & GAS PRODUCTION, LLC

APPLICANT'S ATTORNEY:

Sharon T. Shaheen, Esq. John F. McIntyre, Esq. **MONTGOMERY & ANDREWS, P.A.** P.O. Box 2307 Santa Fe, New Mexico 87504-2307 Telephone: (505) 986-2678 Email: <u>sshaheen@montand.com</u> <u>jmcintyre@montand.com</u>

OTHER PARTY

None

STATEMENT OF THE CASE

Case No. 20200:

Applicant in the above-styled cause seeks an order from the Division for an order pooling all mineral interests in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 W/2 of Section 17 and the W/2 W/2 of Section 8, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. The HSU will be dedicated to the proposed **Love Shack Fed Com 321H** well, to be horizontally drilled from an approximate surface hole location 269' FSL and 644' FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FNL and 330' FWL of Section 8, T26S-R35E.

The completed interval and first and last take points for the **Love Shack Fed Com 321H** will meet statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 13 miles southwest of Jal, New Mexico.

Case No. 20201:

Applicant in the above-styled cause seeks an order from the Division for an order pooling all mineral interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 W/2 of Section 17 and the W/2 W/2 of Section 8, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. The HSU will be dedicated to the **Love Shack Fed Com 431H** well, to be horizontally drilled from an approximate surface hole location 269' FSL and 704' FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FNL and 990' FWL of Section 8, T26S-R35E, and the **Love Shack Fed Com 511H** well, to be horizontally drilled from an approximate surface hole location 269' FSL and 674' FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FNL and 530' FWL of Section 8, T26S-R35E.

The completed interval and first and last take points for both the **Love Shack Fed Com 431H and 511H** wells 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 13 miles southwest of Jal, New Mexico.

At the time of filing this Pre-Hearing Statement, no other party has entered an appearance in either case.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
Walter Jones, Landman	15-20 minutes	8-10
Allen Frierson, Geologist	10-15 minutes	5-7

OTHER PARTY:

None anticipated at this time.

PROCEDURAL MATTERS

Assuming no opposition by time of hearing, Applicant will present these matters together by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: /s/Sharon T. Shaheen

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Attorneys for Titus Oil & Gas, LLC