

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

Titus Oil & Gas Production, LLC
Applications and Exhibits

Case No. 21200
Love Shack Fed Com 321H

Case No. 21201
Love Shack Fed Com 431H & 511H

April 30, 2020

TITUS
OIL GAS LLC

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Tab 1

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21200	APPLICANT'S RESPONSE
Date	April 30, 2020
Applicant	Titus Oil & Gas Production, LLC
Designated Operator & OGRID (affiliation if applicable)	373986
Applicant's Counsel:	Sharon Shaheen
Case Title:	Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Love Shack Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code:	WC-025 G-08 S263412K; Bone Spring [96672]
Well Location Setback Rules:	Statewide Rules
Spacing Unit Size:	320 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	South-North
Description: TRS/County	W2W2 of Section 17 and W2W2 of Section 8, 26S-35E, Lea County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Tract 1 (100%); Tract 2 (97%)
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	<p>Love Shack Fed Com 321H, API No. Pending</p> <p>SHL: 269' FSL and 644' FWL, Section 17-T26S-R35E, NMPM BHL: 10' FNL and 330' FWL, Section 8-T26S-R35E, NMPM</p> <p>Completion Target: 3rd Bone Spring at approx 12,500 Feet TVD Well Orientation: South to North Completion location expected to be standard</p>
Horizontal Well First and Last Take Points	<p>FTP: 100' FSL and 330' FWL of Section 17-T26S-R35E LTP: 100' FNL and 330' FWL of Section 8-T26S-R35E</p>
Completion Target (Formation, TVD and MD)	For Formation & TVD, see Well #1 info above. MD is approximately 23,060'
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Ex. A-7
Requested Risk Charge	Ex. A-7
Notice of Hearing	
Proposed Notice of Hearing	Ex. A-8
Proof of Mailed Notice of Hearing (20 days before hearing)	Ex. C
Proof of Published Notice of Hearing (10 days before hearing)	Ex. C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Ex. A-2, A-3, & A-4
Tract List (including lease numbers and owners)	Ex. A-3
Pooled Parties (including ownership type)	Ex. A-4
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Ex. A-7
List of Interest Owners (ie Exhibit A of JOA)	Ex. A-4
Chronology of Contact with Non-Joined Working Interests	Ex. A-5
Overhead Rates In Proposal Letter	See AFE, attached to Ex. A-7
Cost Estimate to Drill and Complete	See AFE, attached to Ex. A-7
Cost Estimate to Equip Well	See AFE, attached to Ex. A-7
Cost Estimate for Production Facilities	See AFE, attached to Ex. A-7
Geology	

Summary (including special considerations)	Ex. B-1
Spacing Unit Schematic	Ex. B-3
Gunbarrel/Lateral Trajectory Schematic	Ex. B-6
Well Orientation (with rationale)	Ex. B at 5, para. 20(d)
Target Formation	See Exs. B-1 & B-4
HSU Cross Section	Ex. B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Ex. A-6
Tracts	Exs. A-2 & A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exs. A-3 & A-4
General Location Map (including basin)	Ex. A-1
Well Bore Location Map	Exs. A-2 & A-6
Structure Contour Map - Subsea Depth	Ex. B-7
Cross Section Location Map (including wells)	Ex. B-2
Cross Section (including Landing Zone)	Ex. B-4
Additional Information	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
Signed Name (Attorney or Party Representative):	<i>Sharon T. Shaheen</i>
Date:	28-Apr-20

Tab 2

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21201	APPLICANT'S RESPONSE
Date	April 30, 2020
Applicant	Titus Oil & Gas Production, LLC
Designated Operator & OGRID (affiliation if applicable)	373986
Applicant's Counsel:	Sharon Shaheen
Case Title:	Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Love Shack Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	WC-025 G-09 S263619C; Wolfcamp [98234]
Well Location Setback Rules:	Statewide Rules
Spacing Unit Size:	320 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	South-North
Description: TRS/County	W2W2 of Section 17 and W2W2 of Section 8, 26S-35E, Lea County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Tract 1 (100%); Tract 2 (97%)
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	<p>Love Shack Fed Com 431H, API No. Pending</p> <p>SHL: 269' FSL and 704' FWL, Section 17-T26S-R35E, NMPPM BHL: 10' FNL and 990' FWL, Section 8-T26S-R35E, NMPPM</p> <p>Completion Target: Wolfcamp A at approx 12,760 Feet TVD Well Orientation: South to North Completion location expected to be standard</p>
Well #2	<p>Love Shack Fed Com 511H, API No. Pending</p> <p>SHL: 269' FSL and 674' FWL, Section 17-T26S-R35E, NMPPM BHL: 10' FNL and 530' FWL, Section 8-T26S-R35E, NMPPM</p> <p>Completion Target: Wolfcamp B at approx 13,050 Feet TVD Well Orientation: South to North Completion location expected to be standard</p>
Horizontal Well #1 First and Last Take Points	<p>FTP: 100' FSL and 990' FWL of Section 17-T26S-R35E LTP: 100' FNL and 990' FWL of Section 8-T26S-R35E</p>
Horizontal Well #2 First and Last Take Points	<p>FTP: 100' FSL and 660' FWL of Section 17-T26S-R35E LTP: 100' FNL and 660' FWL of Section 8-T26S-R35E</p>
Completion Target (Formation, TVD and MD)	<p>For Formation & TVD, see Well #1 & Well #2 info above. MD is approximately 23,320' for 431H and approximately 23,610' for 511H</p>
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Ex. A-7
Requested Risk Charge	Ex. A-7
Notice of Hearing	
Proposed Notice of Hearing	Ex. A-8
Proof of Mailed Notice of Hearing (20 days before hearing)	Ex. C
Proof of Published Notice of Hearing (10 days before hearing)	Ex. C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Ex. A-2, A-3, & A-4
Tract List (including lease numbers and owners)	Ex. A-3
Pooled Parties (including ownership type)	Ex. A-4

Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Ex. A-7
List of Interest Owners (ie Exhibit A of JOA)	Ex. A-4
Chronology of Contact with Non-Joined Working Interests	Ex. A-5
Overhead Rates In Proposal Letter	See AFE, attached to Ex. A-7
Cost Estimate to Drill and Complete	See AFE, attached to Ex. A-7
Cost Estimate to Equip Well	See AFE, attached to Ex. A-7
Cost Estimate for Production Facilities	See AFE, attached to Ex. A-7
Geology	
Summary (including special considerations)	Ex. B-1
Spacing Unit Schematic	Ex. B-3
Gunbarrel/Lateral Trajectory Schematic	Ex. B-6
Well Orientation (with rationale)	Ex. B at 5, para. 20(d)
Target Formation	See Exs. B-1 & B-5
HSU Cross Section	Ex. B-5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Ex. A-6
Tracts	Exs. A-2 & A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exs. A-3 & A-4
General Location Map (including basin)	Ex. A-1
Well Bore Location Map	Exs. A-2 & A-6
Structure Contour Map - Subsea Depth	Ex. B-8
Cross Section Location Map (including wells)	Ex. B-2
Cross Section (including Landing Zone)	Ex. B-5
Additional Information	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
Signed Name (Attorney or Party Representative):	<i>Sharon T. Shaheen</i>
Date:	4/28/2020

Tab 3

**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

Titus Oil & Gas Production, LLC (“Titus”) 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 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. 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 drill the following well in the proposed HSU: 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.
3. The completed interval and first and last take points will 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 Bone Spring 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 April 2, 2020, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 320-acre, more or less, horizontal spacing and proration unit 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;

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

C. Allowing the drilling of the 2-mile Love Shack Fed Com 321H well in the 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 well;

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 well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

John F. McIntyre

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Attorneys for Titus Oil & Gas Production, LLC

Tab 4

**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. 21201

APPLICATION

Titus Oil & Gas Production, LLC (“Titus”) 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; 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. 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 drill the following wells in the proposed HSU:
 - 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.
 - 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.

3. The completed intervals and first and last take points will 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 April 2, 2020, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 320-acre, more or less, horizontal spacing and proration unit 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, NMPM, in Lea County, New Mexico;

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

C. Allowing the drilling of the 2-mile Love Shack Fed Com 431H, and the 2-mile Love Shack Fed Com 511H well in the 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

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jmcintyre@montand.com

Attorneys for Titus Oil & Gas Production, LLC

Tab 5

**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

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 filings 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, overseeing assets predominately in Eddy and Lea Counties, 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 Nos. 21200 & 21201
April 30, 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 units (“HSU”) described below, and in the wells to be drilled in those units.

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.

7. In **Case No. 21200**, Titus seeks an order pooling all uncommitted interests in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]). The standard 320-acre, more or less, HSU underlies 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. Titus proposes to dedicate this HSU to the following well:

- **Love Shack Fed Com 321H** well (“321H”), to be horizontally drilled from an approximate surface hole location 269’ FSL and 644’ FWL (Unit M) of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FNL and 330’ FWL (Unit D) of Section 8-T26S-R35E. The proposed true vertical depth is approximately 12,500’. The approximate total measured depth is 23,060’. The first take point will be located at approximately 100’ FSL and 330’ FWL of Section 17-T26S-R35E, and the last take point will be located at approximately 100’ FNL and 330’ FWL of Section 8-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.

8. In **Case No. 21201**, Titus seeks an order pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]). The standard 320-acre, more or less, HSU underlies 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. Titus proposes to dedicate this HSU to the following wells:

- **Love Shack Fed Com 431H** well (“431H”), to be horizontally drilled from an approximate surface hole location 269’ FSL and 704’ FWL (Unit M) of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FNL and 990’ FWL (Unit D) of Section 8, T26S-R35E. The proposed true vertical depth is approximately 12,760’ and the total measured depth is approximately 23,320’. The first take point will be located at approximately 100’ FSL and 990’ FWL of Section 17-T26S-R35E, and the last take point will be located at approximately 100’ FNL and 990’ FWL of Section 8-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.
- **Love Shack Fed Com 511H** well (“511H”), to be horizontally drilled from an approximate surface hole location 269’ FSL and 674’ FWL (Unit M) of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FNL and 530’ FWL (Unit D) of Section 8, T26S-R35E. The proposed true vertical depth is approximately 13,050’. The approximate total measured depth is 23,610’. The first take point will be located at approximately 100’ FSL and 530’ FWL of Section 17-T26S-R35E, and the last take point will be located at approximately 100’ FNL and 530’ FWL of Section 8-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. A general location map, including the basin, is attached as **Exhibit A-1**.

10. Maps illustrating the tracts in the proposed HSU and the location of the wellbores are attached as **Exhibit A-2**.

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

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

13. A chronology of contact with the non-joined working interest owner is attached as **Exhibit A-5**. There are no depth severances in the Bone Spring formation for the 321H or in the Wolfcamp formation for the 431H and 511H.

14. The locations of the proposed wells within the respective HSUs are depicted in the draft C-102 Forms attached as **Exhibit A-6**. The draft C-102 Forms also indicate the locations of the surface hole, the bottomhole, and the first and last take points.

15. 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 well proposals, including an Authorization for Expenditure (“AFE”) for each well.

16. **Exhibit A-7** includes copies of the well proposal letters and the AFEs for the proposed wells. The estimated costs of the wells set forth in the AFEs are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

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

18. **Exhibit A-8** is a copy of the notice letters with the applications that were sent to all of the uncommitted interest owners in the proposed HSUs.

19. 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

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

21. Titus requests that it be designated operator of the wells.

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

23. The granting of these Applications are in the interests of conservation, the prevention of waste, and the protection of correlative rights.

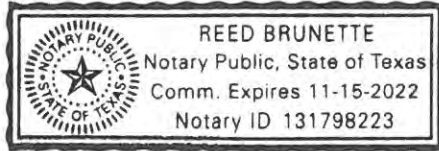
24. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

Walter P. Jones
Walter Jones

STATE OF TEXAS)
)ss
COUNTY OF TARRANT)

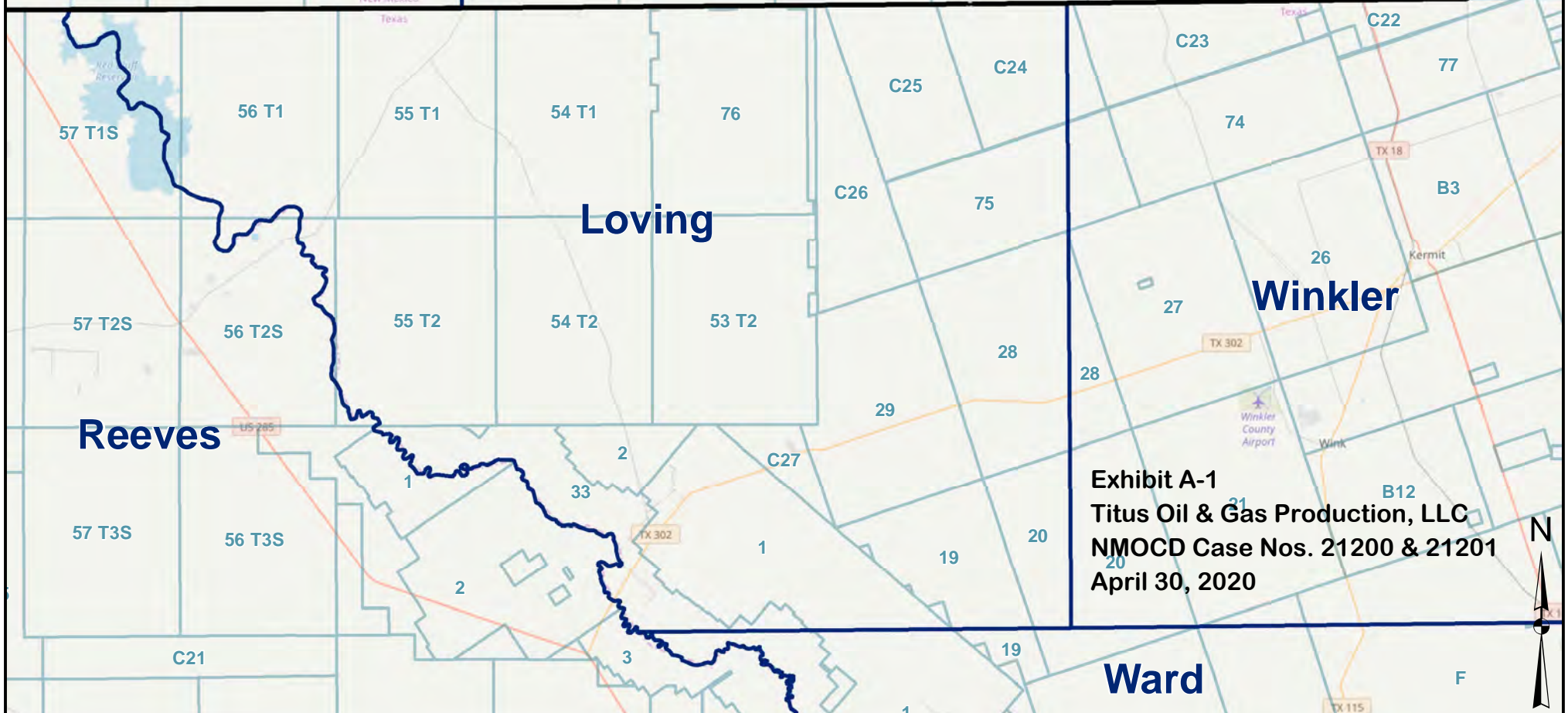
Subscribed to and sworn before me this 28 day of April, 2020.

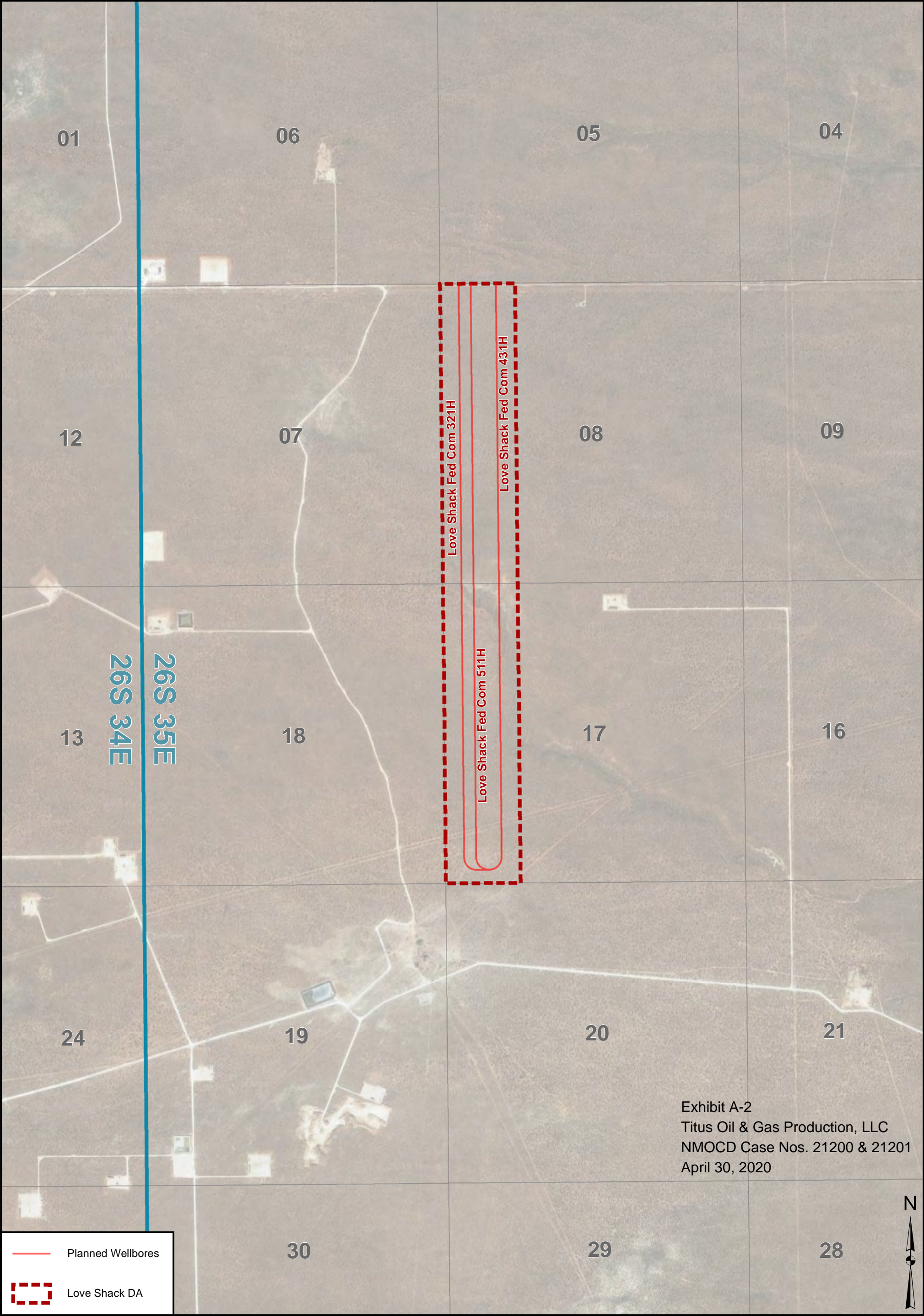
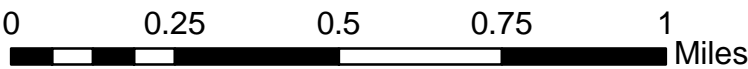


Reed Brunette
Notary Public

My Commission expires 11/15/2022.

Tab 6

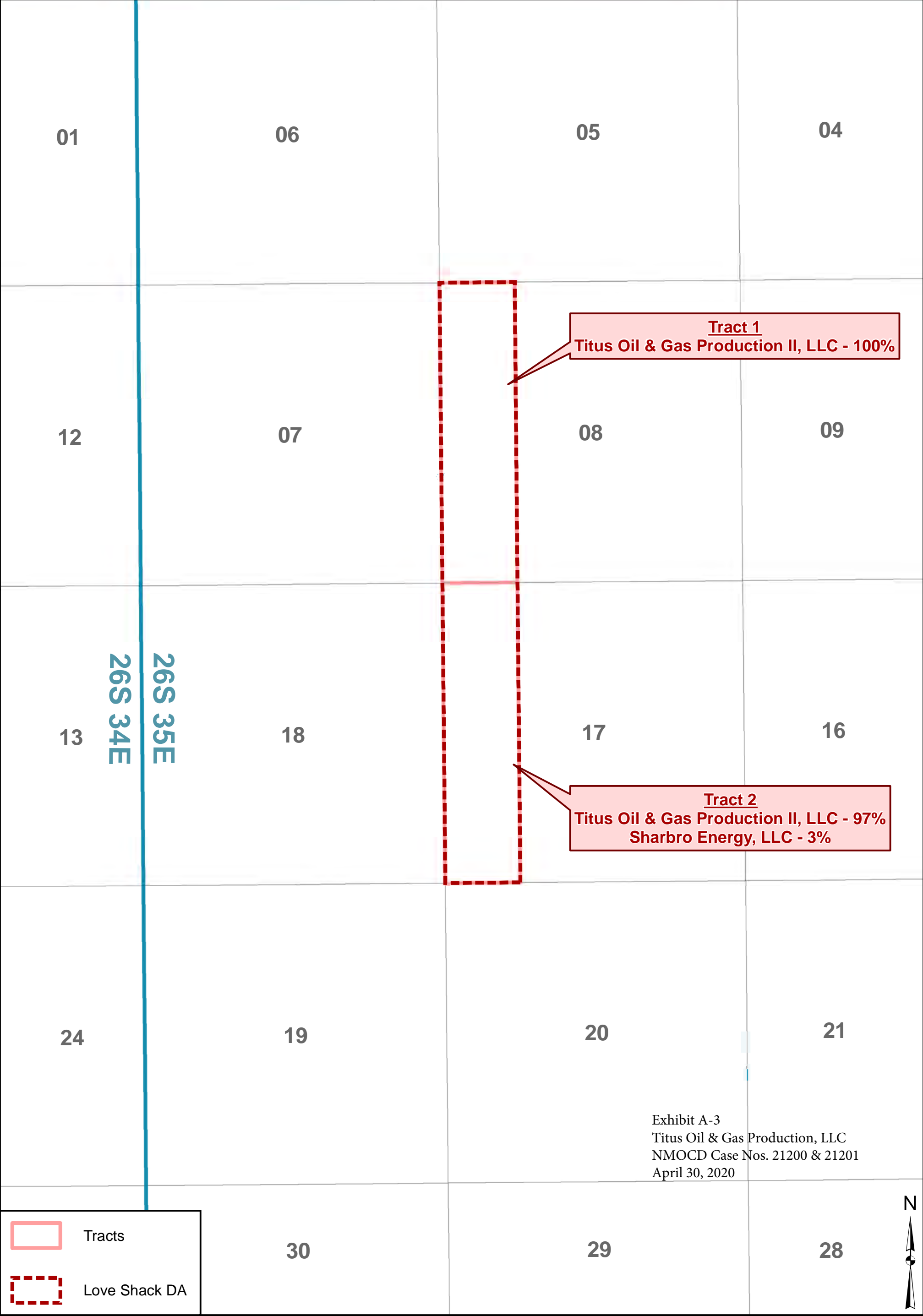
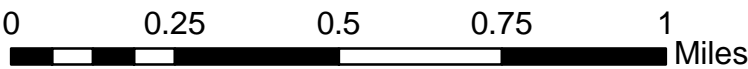


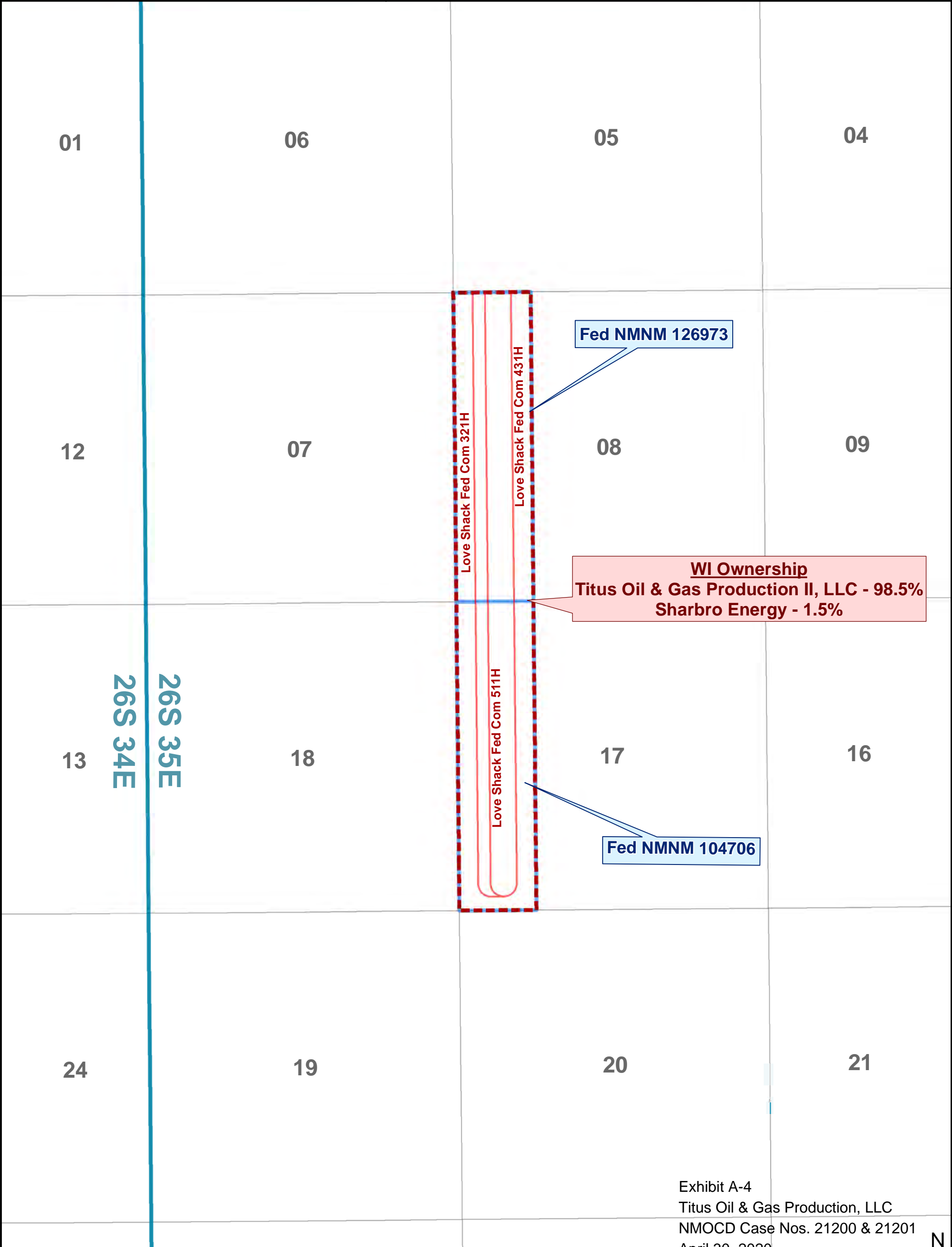
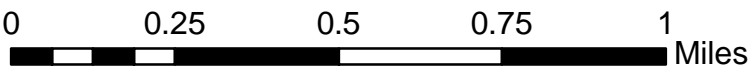




TOG - Love Shack Development

Lea County, New Mexico; T-26-S, R-35-E





Tracts

Love Shack DA



CONTRACT AREA:

T26S-R35E
Section 8: W/2 W/2
Section 17: W/2 W/2
Lea County New Mexico, containing 320.00 acres, more or less.

DEPTH RESTRICTIONS:

All depths below the base of the Delaware formation.

INTEREST OF THE PARTIES TO THIS AGREEMENT:

Interest Owners	Working Interest
Titus Oil & Gas Production, LLC 420 Throckmorton Street, Suite 1150 Fort Worth, TX 76102 wjones@titusoil.com Attn: Land Department	98.5%
Sharbro Energy, LLC PO Box 840 Artesia, NM 88211	1.5%
Total:	100.0000%

OIL AND GAS LEASES SUBJECT TO THIS AGREEMENT:

Lessor: United States of America – USA NMNM 126973
Lessee: Yates Petroleum, et al
Date: September 1, 2011
Description: W/2 W/2 of Section 8, T26S, R35E, NMPM
Lea County, NM

Lessor: United States of America – USA NMNM 104706
Lessee: Yates Petroleum, et al
Date: June 1, 2000
Description: W/2 W/2 of Section 17, T26S, R35E, NMPM
Lea County, NM

Chronology of Contact with Non-Joined Working Interest Owner

Contact	Type	Notes	Contact Info
Sharbro Energy, LLC	Emails and Phone Calls	<p>4/29/2019 - emailed to inquire about Sharbro's interest in selling its interest in 26S-35E</p> <p>5/10/2019 - spoke to Liz Baker on the phone and she asked for an offer via email. Emailed Liz and included an offer letter for their working interest in the W/2 of Section 17</p> <p>5/22/2019 - Did not hear back from Ms. Baker so sent a follow-up email to see what their thoughts were on the offer</p> <p>8/6/2019 - Sharbro responded with a higher asking price and desire to retain an ORRI</p> <p>8/29/2019 - Responded to their counter-offer by increasing our original offer but said that if they wanted to retain an override the purchase price per acre would be scaled-down accordingly</p> <p>11/4/2019 - Heard back about offer, had questions regarding pooling of interests. Responded to Ms. Baker's email answering her questions about EOG's ownership here and also included a new offer letter including their interest in Sections 18 & 30</p> <p>11/12/2019 - had not heard back so sent a follow-up email to see if they had any questions. Ms. Baker said they are going to discuss our offer soon. She asked if we could provide any well information.</p> <p>11/14/2019 - Provided the names of our wells so she could look up the info on the RRC website.</p> <p>11/26/2019 - asked if they had discussed our offer internally</p> <p>12/5/2019 - sent her another follow-up to see if they had discussed our offer.</p> <p>1/10/2020 - spoke with Ms. Baker on the phone and discussed our offer</p> <p>3/20/2020 - Sharbro sent elections for multiple Titus well proposals. Titus to provide JOA for review.</p>	<p>Liz Baker Land Manager ebaker@sharbroenergy.com</p>

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 96672	3 Pool Name WC-025 G-08 S263412K; Bone Spring
4 Property Code	5 Property Name LOVE SHACK FED COM	6 Well Number 321H
7 OGRID No. 373986	8 Operator Name TITUS OIL & GAS PRODUCTION LLC	9 Elevation 3202'

10 Surface Location

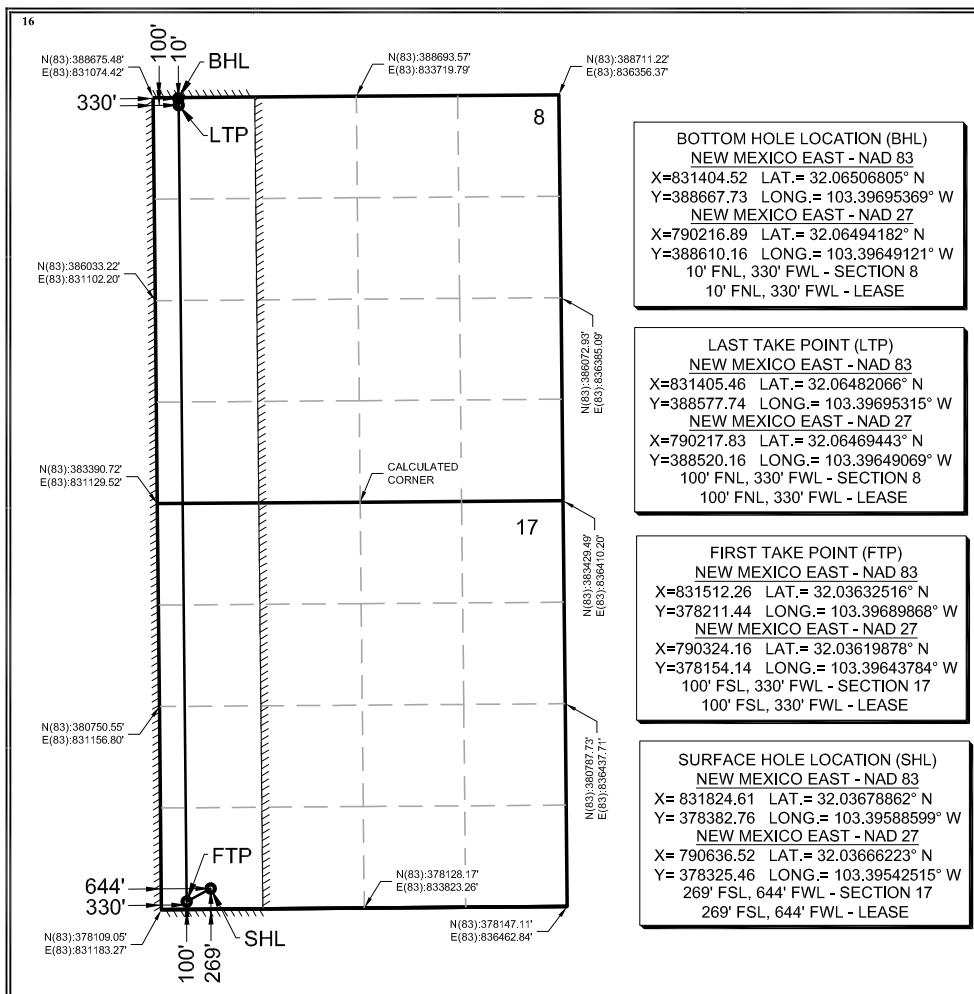
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	26-S	35-E		269'	SOUTH	644'	WEST	LEA

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
D	8	26-S	35-E		10'	NORTH	330'	WEST	LEA

12 Dedicated Acres 320	13 Joint or Infill Y	14 Consolidation Code	15 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.



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.

Signature: *Ryan DeLong* Date: 1/15/2020

Ryan DeLong - Regulatory Manager
Printed Name

rdelong@titusoil.com
E-mail Address

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.

Date of Survey
Signature and Seal of Professional Surveyor

Garrett J. Smelker
NEW MEXICO
25036
01/14/2020
PROFESSIONAL SURVEYOR

Certificate Number

Exhibit A-6
Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21200 & 21201
April 30, 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 98234		3 Pool Name WC-025 G-09 S263619C; Wolfcamp	
4 Property Code		5 Property Name LOVE SHACK FED COM			6 Well Number 431H
7 OGRID No. 373986		8 Operator Name TITUS OIL & GAS PRODUCTION LLC			9 Elevation 3204'

10 Surface Location

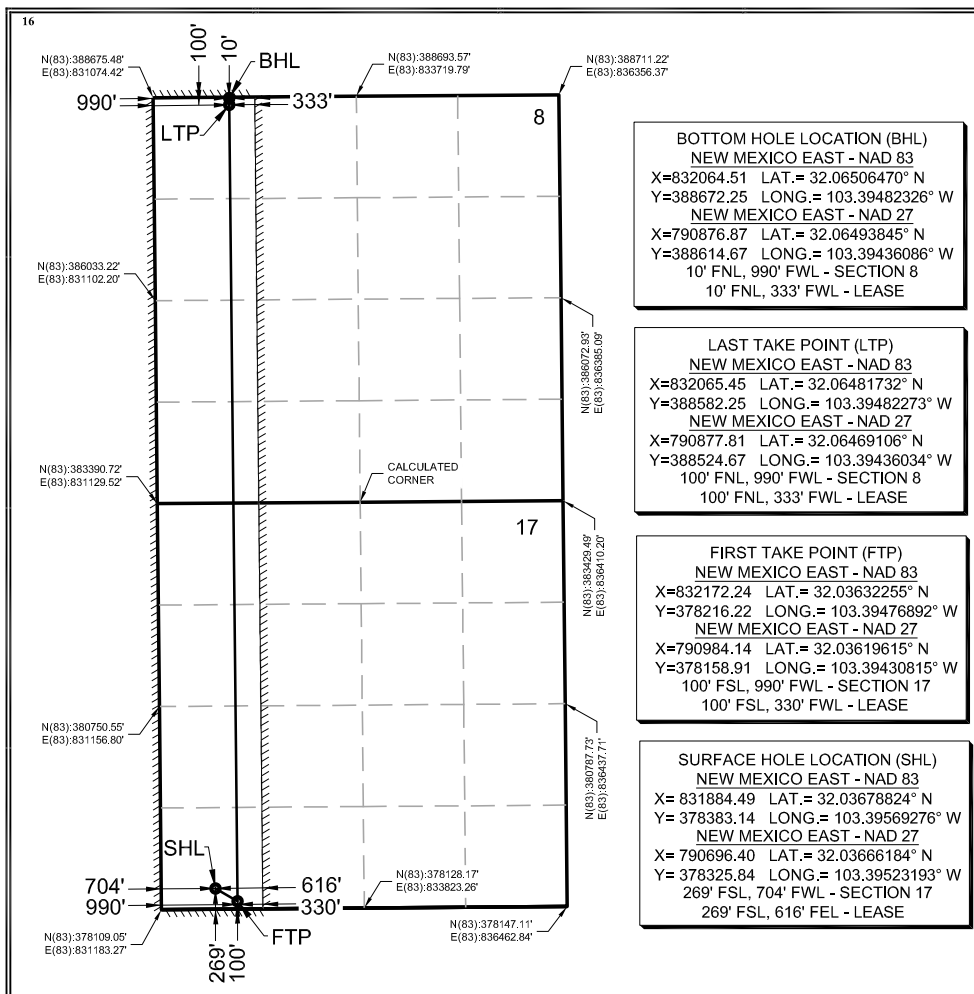
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	26-S	35-E		269'	SOUTH	704'	WEST	LEA

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
D	8	26-S	35-E		10'	NORTH	990'	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320	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.



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.

Signature: *Ryan DeLong* Date: 1/15/2020

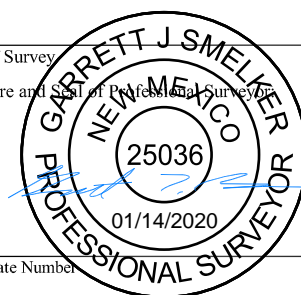
Printed Name: Ryan DeLong - Regulatory Manager

E-mail Address: rdelong@titusoil.com

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.

Date of Survey: 01/14/2020
Signature and Seal of Professional Surveyor



Certificate Number

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
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1220 S. St. Francis Dr., Santa Fe, NM 87505
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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 98234	3 Pool Name WC-025 G-09 S263619C; Wolfcamp
4 Property Code	5 Property Name LOVE SHACK FED COM	6 Well Number 511H
7 OGRID No. 373986	8 Operator Name TITUS OIL & GAS PRODUCTION LLC	9 Elevation 3204'

10 Surface Location

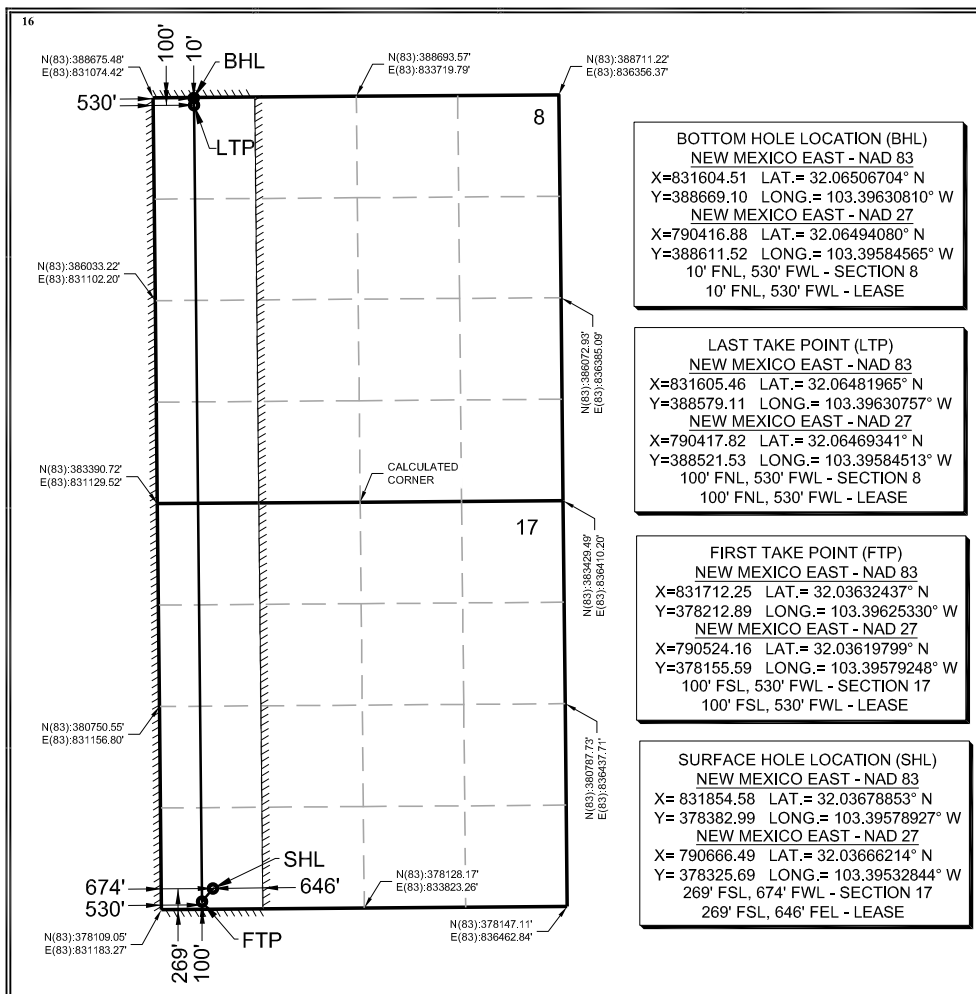
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	26-S	35-E		269'	SOUTH	674'	WEST	LEA

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
D	8	26-S	35-E		10'	NORTH	530'	WEST	LEA

12 Dedicated Acres 320	13 Joint or Infill Y	14 Consolidation Code	15 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.



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.

Signature: *Ryan DeLong* Date: 1/15/2020

Printed Name: Ryan DeLong - Regulatory Manager

E-mail Address: rdelong@titusoil.com

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.

Date of Survey: Signature and Seal of Professional Surveyor



Certificate Number

Titus Oil & Gas Production, LLC

420 Throckmorton Street, Suite 1150
Fort Worth, Texas 76102

January 28, 2020

Federal Express

Sharbro Energy, LLC
327 W. Main Street
Artesia, NM 88210

RE: Love Shack Fed Com 321H 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 Love Shack Fed Com 321H ("Subject Well") to an approximate True Vertical Depth of 12,500' and an approximate Total Measured Depth of 23,060' in order to test the Bone Spring formation. The proration unit will include the W2W2 Section 17 & W2W2 Section 8, T26S-R35E, Lea County, New Mexico.

The estimated cost of drilling, completing, and equipping the Subject Well is \$11,828,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 269' FSL and 644' FWL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FNL and 330' FWL of Section 8, T26S-R35E. The Subject Well's first take point will be approximately 100' FSL and 330' FWL of Section 17, T26S-R35E, and the last take point will be approximately 100' FNL and 330' FWL of Section 8, 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 all depths of Section 17: W2W2 and Section 8: W2W2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

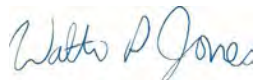
If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 20%, proportionately reduced
- \$7,500 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 below.

Sincerely,



Walter P. Jones
Vice President - Land
(817) 852-6875
wjones@titusoil.com

Exhibit A-7
Titus Oil & Production, LLC
NMOCD Case Nos. 21200 & 21201
April 30, 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 drilling and completion of the Love Shack Fed Com 321H.

_____ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Love Shack Fed Com 321H.

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

Sharbro Energy, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

Well Name	Love Shack Fed Com 321H			MD / TVD	23,060'	12,500'
Legal	W2W2 Section 17 & W2W2 Section 8, T26S-R35E			Cty / State	Lea	NM
Formation	3rd Bone Spring			Field	Jabalina	
INTANGIBLE COSTS		DRILL	COMPL	PROD	FAC	TOTAL
Land/ Legal/ Regulatory/ Insurance	\$ 71,873	\$ -	\$ -	\$ -	\$ -	\$ 71,873
Location/ Surveys/ Damages	\$ 295,477	\$ 4,769	\$ -	\$ -	\$ -	\$ 300,246
Daywork Contract	\$ 964,693	\$ 417,369	\$ 24,936	\$ -	\$ -	\$ 1,406,998
Mob / Trucking / Cranes/ Fork Lift	\$ 79,859	\$ 498,617	\$ 7,422	\$ 25,888	\$ -	\$ 611,786
Fuel & Power	\$ 182,078	\$ 5,122	\$ -	\$ -	\$ -	\$ 187,200
Directional Drilling Services	\$ 474,361	\$ -	\$ -	\$ -	\$ -	\$ 474,361
Bits	\$ 154,926	\$ -	\$ -	\$ -	\$ -	\$ 154,926
Mud & Chemicals	\$ 319,435	\$ -	\$ -	\$ -	\$ -	\$ 319,435
Water	\$ 63,887	\$ 497,381	\$ -	\$ -	\$ -	\$ 561,268
Disposal/ Closed Loop/ HES	\$ 239,576	\$ 27,201	\$ 104,111	\$ -	\$ -	\$ 370,888
Cement/ Csg equip & services	\$ 423,251	\$ -	\$ -	\$ -	\$ -	\$ 423,251
Rental - Surface	\$ 199,647	\$ 424,434	\$ 107,177	\$ -	\$ -	\$ 731,258
Rental - Subsurface	\$ 119,788	\$ 80,895	\$ 13,726	\$ -	\$ -	\$ 214,409
Company Supervision	\$ 22,041	\$ 38,151	\$ -	\$ -	\$ -	\$ 60,192
Contract Supervision	\$ 159,063	\$ 137,946	\$ 8,678	\$ -	\$ -	\$ 305,687
Geologic Evaluation	\$ 44,721	\$ 60,936	\$ -	\$ -	\$ -	\$ 105,657
Perf & Wireline Services	\$ -	\$ 237,916	\$ 7,422	\$ -	\$ -	\$ 245,339
Contract Labor	\$ 46,318	\$ 24,198	\$ 32,040	\$ 81,817	\$ -	\$ 184,373
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 45,216	\$ 179,730	\$ -	\$ -	\$ 224,947
Services Wellhead	\$ 19,166	\$ 70,474	\$ 5,710	\$ -	\$ -	\$ 95,350
Stimulation	\$ -	\$ 1,998,355	\$ -	\$ -	\$ -	\$ 1,998,355
Material Consumables	\$ -	\$ 675,068	\$ -	\$ -	\$ -	\$ 675,068
Contingency	\$ -	\$ 262,114	\$ 24,548	\$ 5,385	\$ -	\$ 292,047
Total Intangibles	\$ 3,880,158	\$ 5,506,163	\$ 515,500	\$ 113,090	\$ -	\$ 10,014,911
TANGIBLE COSTS		DRILL	COMPL	PROD	FAC	TOTAL
Casing	\$ 995,039	\$ -	\$ -	\$ -	\$ -	\$ 995,039
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 111,802	\$ 142,891	\$ 7,323	\$ -	\$ -	\$ 262,016
Maternal Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ -	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ -	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ -	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ -	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ -	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ -	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ -	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ -	\$ 18,547
Total Tangibles	\$ 1,106,842	\$ 142,891	\$ 157,663	\$ 405,693	\$ -	\$ 1,813,089
Total DC&E	\$ 4,987,000	\$ 5,649,054	\$ 673,163	\$ 518,783	\$ -	\$ 11,828,000
Non Operating Partner Approval						
Company:		By:		Date:		
		Its:				

Titus Oil & Gas Production, LLC

420 Throckmorton Street, Suite 1150
Fort Worth, Texas 76102

January 28, 2020

Federal Express

Sharbro Energy, LLC
327 W. Main Street
Artesia, NM 88210

RE: Love Shack Fed Com 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 Love Shack Fed Com 431H ("Subject Well") to an approximate True Vertical Depth of 12,760' and an approximate Total Measured Depth of 23,320' in order to test the Wolfcamp formation. The proration unit will include the W2W2 Section 17 & W2W2 Section 8, T26S-R35E, Lea County, New Mexico.

The estimated cost of drilling, completing, and equipping the Subject Well is \$11,828,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 269' FSL and 704' FWL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FNL and 990' FWL of Section 8, T26S-R35E. The Subject Well's first take point will be approximately 100' FSL and 990' FWL of Section 17, T26S-R35E, and the last take point will be approximately 100' FNL and 990' FWL of Section 8, 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 all depths of Section 17: W2W2 and Section 8: W2W2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

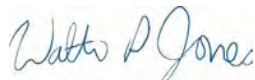
If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 20%, proportionately reduced
- \$7,500 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 below.

Sincerely,



Walter P. Jones
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 drilling and completion of the Love Shack Fed Com 431H.

_____ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Love Shack Fed Com 431H.

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

Sharbro Energy, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

Well Name	Love Shack Fed Com 431H		MD / TVD	23,320'	12,760'
Legal	W2W2 Section 17 & W2W2 Section 8, T26S-R35E		Cty / State	Lea	NM
Formation	Wolfcamp A		Field	Jabalina	
INTANGIBLE COSTS	DRILL	COMPL	PROD	FAC	TOTAL
Land/ Legal/ Regulatory/ Insurance	\$ 71,873	\$ -	\$ -	\$ -	\$ 71,873
Location/ Surveys/ Damages	\$ 295,477	\$ 4,769	\$ -	\$ -	\$ 300,246
Daywork Contract	\$ 964,693	\$ 417,369	\$ 24,936	\$ -	\$ 1,406,998
Mob / Trucking / Cranes/ Fork Lift	\$ 79,859	\$ 498,617	\$ 7,422	\$ 25,888	\$ 611,786
Fuel & Power	\$ 182,078	\$ 5,122	\$ -	\$ -	\$ 187,200
Directional Drilling Services	\$ 474,361	\$ -	\$ -	\$ -	\$ 474,361
Bits	\$ 154,926	\$ -	\$ -	\$ -	\$ 154,926
Mud & Chemicals	\$ 319,435	\$ -	\$ -	\$ -	\$ 319,435
Water	\$ 63,887	\$ 497,381	\$ -	\$ -	\$ 561,268
Disposal/ Closed Loop/ HES	\$ 239,576	\$ 27,201	\$ 104,111	\$ -	\$ 370,888
Cement/ Csg equip & services	\$ 423,251	\$ -	\$ -	\$ -	\$ 423,251
Rental - Surface	\$ 199,647	\$ 424,434	\$ 107,177	\$ -	\$ 731,258
Rental - Subsurface	\$ 119,788	\$ 80,895	\$ 13,726	\$ -	\$ 214,409
Company Supervision	\$ 22,041	\$ 38,151	\$ -	\$ -	\$ 60,192
Contract Supervision	\$ 159,063	\$ 137,946	\$ 8,678	\$ -	\$ 305,687
Geologic Evaluation	\$ 44,721	\$ 60,936	\$ -	\$ -	\$ 105,657
Perf & Wireline Services	\$ -	\$ 237,916	\$ 7,422	\$ -	\$ 245,339
Contract Labor	\$ 46,318	\$ 24,198	\$ 32,040	\$ 81,817	\$ 184,373
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 45,216	\$ 179,730	\$ -	\$ 224,947
Services Wellhead	\$ 19,166	\$ 70,474	\$ 5,710	\$ -	\$ 95,350
Stimulation	\$ -	\$ 1,998,355	\$ -	\$ -	\$ 1,998,355
Material Consumables	\$ -	\$ 675,068	\$ -	\$ -	\$ 675,068
Contingency	\$ -	\$ 262,114	\$ 24,548	\$ 5,385	\$ 292,047
Total Intangibles	\$ 3,880,158	\$ 5,506,163	\$ 515,500	\$ 113,090	\$ 10,014,911
TANGIBLE COSTS	DRILL	COMPL	PROD	FAC	TOTAL
Casing	\$ 995,039	\$ -	\$ -	\$ -	\$ 995,039
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 111,802	\$ 142,891	\$ 7,323	\$ -	\$ 262,016
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ 18,547
Total Tangibles	\$ 1,106,842	\$ 142,891	\$ 157,663	\$ 405,693	\$ 1,813,089
Total DC&E	\$ 4,987,000	\$ 5,649,054	\$ 673,163	\$ 518,783	\$ 11,828,000
<u>Non Operating Partner Approval</u>					
Company:	By:		Date:		
	Its:				

Titus Oil & Gas Production, LLC

420 Throckmorton Street, Suite 1150
Fort Worth, Texas 76102

January 28, 2020

Federal Express

Sharbro Energy, LLC
327 W. Main Street
Artesia, NM 88210

RE: Love Shack Fed Com 511H 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 Love Shack Fed Com 511H ("Subject Well") to an approximate True Vertical Depth of 13,050' and an approximate Total Measured Depth of 23,610' in order to test the Wolfcamp formation. The proration unit will include the W2W2 Section 17 & W2W2 Section 8, T26S-R35E, Lea County, New Mexico.

The estimated cost of drilling, completing, and equipping the Subject Well is \$12,068,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 269' FSL and 674' FWL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FNL and 660' FWL of Section 8, T26S-R35E. The Subject Well's first take point will be approximately 100' FSL and 660' FWL of Section 17, T26S-R35E, and the last take point will be approximately 100' FNL and 660' FWL of Section 8, 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 all depths of Section 17: W2W2 and Section 8: W2W2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

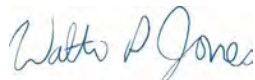
If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 20%, proportionately reduced
- \$7,500 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 below.

Sincerely,



Walter P. Jones
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 drilling and completion of the Love Shack Fed Com 511H.

_____ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Love Shack Fed Com 511H.

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

Sharbro Energy, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

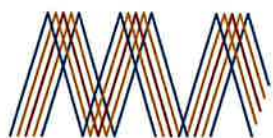
Well Name	Love Shack Fed Com 511H	MD / TVD	23,610'	13,050'
Legal	W2W2 Section 17 & W2W2 Section 8, T26S-R35E	Cty / State	Lea	NM
Formation	Wolfcamp B	Field	Jabalina	

INTANGIBLE COSTS	DRILL	COMPL	PROD	FAC	TOTAL
Land/ Legal/ Regulatory/ Insurance	\$ 72,046	\$ -	\$ -	\$ -	\$ 72,046
Location/ Surveys/ Damages	\$ 296,188	\$ 4,961	\$ -	\$ -	\$ 301,150
Daywork Contract	\$ 967,014	\$ 434,214	\$ 24,936	\$ -	\$ 1,426,164
Mob / Trucking / Cranes/ Fork Lift	\$ 80,051	\$ 518,742	\$ 7,422	\$ 25,888	\$ 632,103
Fuel & Power	\$ 182,516	\$ 5,329	\$ -	\$ -	\$ 187,845
Directional Drilling Services	\$ 475,502	\$ -	\$ -	\$ -	\$ 475,502
Bits	\$ 155,299	\$ -	\$ -	\$ -	\$ 155,299
Mud & Chemicals	\$ 320,203	\$ -	\$ -	\$ -	\$ 320,203
Water	\$ 64,041	\$ 517,456	\$ -	\$ -	\$ 581,496
Disposal/ Closed Loop/ HES	\$ 240,153	\$ 28,298	\$ 104,111	\$ -	\$ 372,562
Cement/ Csg equip & services	\$ 424,270	\$ -	\$ -	\$ -	\$ 424,270
Rental - Surface	\$ 200,127	\$ 441,565	\$ 107,177	\$ -	\$ 748,869
Rental - Subsurface	\$ 120,076	\$ 84,160	\$ 13,726	\$ -	\$ 217,962
Company Supervision	\$ 22,094	\$ 39,691	\$ -	\$ -	\$ 61,785
Contract Supervision	\$ 159,445	\$ 143,513	\$ 8,678	\$ -	\$ 311,637
Geologic Evaluation	\$ 44,828	\$ 63,396	\$ -	\$ -	\$ 108,224
Perf & Wireline Services	\$ -	\$ 247,519	\$ 7,422	\$ -	\$ 254,941
Contract Labor	\$ 46,430	\$ 25,175	\$ 32,040	\$ 81,817	\$ 185,461
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 47,041	\$ 179,730	\$ -	\$ 226,772
Services Wellhead	\$ 19,212	\$ 73,318	\$ 5,710	\$ -	\$ 98,240
Stimulation	\$ -	\$ 2,079,010	\$ -	\$ -	\$ 2,079,010
Material Consumables	\$ -	\$ 702,314	\$ -	\$ -	\$ 702,314
Contingency	\$ -	\$ 272,693	\$ 24,548	\$ 5,385	\$ 302,626
Total Intangibles	\$ 3,889,495	\$ 5,728,396	\$ 515,500	\$ 113,090	\$ 10,246,481

TANGIBLE COSTS	DRILL	COMPL	PROD	FAC	TOTAL
Casing	\$ 997,434	\$ -	\$ -	\$ -	\$ 997,434
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 112,071	\$ 148,658	\$ 7,323	\$ -	\$ 268,052
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ 18,547
Total Tangibles	\$ 1,109,505	\$ 148,658	\$ 157,663	\$ 405,693	\$ 1,821,519
Total DC&E	\$ 4,999,000	\$ 5,877,054	\$ 673,163	\$ 518,783	\$ 12,068,000

Non Operating Partner Approval

Company:	By:	Date:
	Its:	



**MONTGOMERY
& ANDREWS**
LAW FIRM

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

March 13, 2020

Via U.S. Certified Mail, return receipt requested

TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. **21200** - Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Love Shack Fed Com 321H**

Case No. **21201** – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Love Shack Fed Com 431H and 511H**

Dear Interest Owner:

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

Case No. 21200: 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 Bone Spring (Oil) 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. Applicant proposes to drill the following well: **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 this well will meet statewide setback requirements for horizontal wells.

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 Nos. 21200 & 21201
April 30, 2020

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. 21201: 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; 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. Applicant proposes to drill the following wells: (1) **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 (2) **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 intervals and first and last take points for these wells will meet statewide setback requirements for horizontal 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 wells and lands are located approximately 13 miles southwest of Jal, New Mexico.

The attached Applications will be set for hearing before a Division Examiner on **April 2, 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 **March 26, 2020**, in accordance with Division Rule 19.15.4.13 NMAC.

All Interest Owners
March 13, 2020
Page 3

Please feel free to contact me if you have any questions about these Applications.

Very truly yours,



Sharon T. Shaheen

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

EXHIBIT A

INTEREST OWNERS

W/2 W/2 Sec. 17 and W/2 W/2 of Sec. 8, T26S, R35E, NMPM, Lea County, NM

Working Interest:

Sharbro Energy, LLC
P.O. Box 840
Artesia, NM 88221-1091

Additional Interested Party(ies):

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

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

Tab 7

**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

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 filings 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 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.

**EXHIBIT B
Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21200 & 21201
April 30, 2020**

5. **Exhibit B-1** is a geological summary for the Bone Spring **Love Shack Fed Com 321H** well (“321H”), the Wolfcamp **Love Shack Fed Com 431H** well (“431H”), and the Wolfcamp **Love Shack Fed Com 511H** well (“511H”).

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

7. **Exhibit B-3** are the spacing unit schematics for the 321H, 431H, and 511H, which illustrate the locations of the horizontal spacing units outlined by a red-hashed polygon; the approximate locations of the proposed wells; and the wells in the two-well cross-section referenced in the stratigraphic cross-section exhibits (Exhibit B-4 for the Bone Spring and Exhibit B-5 for the Wolfcamp).

8. **Exhibit B-4** is a Bone Spring stratigraphic cross-section for the 321H 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 321H. The cross-section identifies the key tops used to evaluate reservoirs and landing targets for the 321H.

9. **Exhibit B-5** is a Wolfcamp stratigraphic cross-section for the 431H and 511H 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 zones for the 431H and 511H. The cross-section identifies the key tops used to evaluate reservoirs and landing targets for the 431H

and 511H. Simplified wellbores for the 431H and 511H are on the cross-section showing the landing target interval in the Northwest to Southeast Wolfcamp stratigraphic cross-section.

10. **Exhibit B-6** are Gunbarrel diagrams of the 321H, 431H, and 511H. These show the approximate landing zones in reference to the type logs for the area, and the associated spacing of the wellbores within the half-section width HSUs.

11. **Exhibit B-7** is a Bone Spring structure map for the 321H. 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 50' 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.

12. **Exhibit B-8** is a Wolfcamp structure map for the 431H and 511H. 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 50' 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.

13. **Exhibit B-9** is a Bone Spring isopach map for the 321H. It is formatted similarly to the previous Bone Spring structure map (Exhibit B-7). Contour intervals are 10' on this map. The 321H lateral is placed in a zone that is consistently greater than 350' 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.

14. **Exhibit B-10** is a Wolfcamp A isopach map for the 431H. It is formatted similarly to the previous Wolfcamp structure map (Exhibit B-8). Contour intervals are 10' on this map. The 431H lateral is placed in a zone that is consistently greater than 250'-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.

15. **Exhibit B-11** is a Wolfcamp B isopach map for the 511H. It is formatted similarly to the previous Wolfcamp structure map (Exhibit B-8). Contour intervals are 10' on this map. The 431H lateral is placed in a zone that is consistently greater than 300'-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.

16. The total vertical depths and measured depths for each well are as follows:

	<u>MD</u>	<u>TVD</u>
321H	23,060'	12,500'
431H	23,320'	12,760'
511H	23,610'	13,050'

17. For the 321H, the total vertical depth of the target formation is approximately 12,137' (Top of the 3rd Bone Spring) to approximately 12,521' (Base of the 3rd Bone Spring) based on the Beckham 19 1 (API: 30025370) type log.

18. For the 431H, the total vertical depth of the target formation is approximately 12,645' (Top of the Wolfcamp A) to approximately 12,959' (Base of the Wolfcamp A) based on the Beckham 19 1 (API: 30025370) type log.

19. For the 511H, the total vertical depth of the target formation is approximately 12,959' (Top of the Wolfcamp B) to approximately 13,337' (Base of the Wolfcamp B) based on the Beckham 19 1 (API: 30025370) type log.

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

- a. The horizontal spacing and proration units are justified from a geologic standpoint.

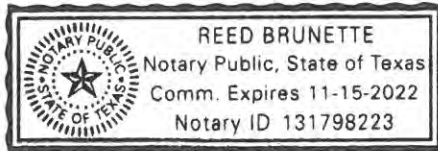
- b. There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter-quarter section in the units will contribute more or less equally to production.
 - d. The preferred well orientation in this area is south-north. This is because the inferred orientation of the maximum horizontal stress is roughly east-west.
21. The Exhibits to this Affidavit were prepared by me, or compiled from Titus's business records.
22. The granting of this Application is in the interests of conservation and the prevention of waste.
23. 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 28 day of April, 2020.




Notary Public

My Commission expires 11/15/2022.

Tab 8

Summary

Bone Spring Pooling – Lea County, New Mexico

Titus Oil & Gas Production, LLC (“Titus”) 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 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. Said horizontal spacing unit is to 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 the irregular Section 8-T26S-R35E. The completed interval and first and last take points for the **Love Shack Fed Com 321H** well will meet statewide setback requirements for horizontal oil wells. The well will target the 3rd Bone Spring at an approximate True Vertical Depth of 12,411’.

The well will be drilled from south-to-north 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 Nos. 21200 & 21201

April 30, 2020

Summary

Wolfcamp Pooling – Lea County, New Mexico

Titus Oil & Gas Production, LLC (“Titus”) 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; 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. Said horizontal spacing unit is to be dedicated to the proposed **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 the irregular Section 8-T26S-R35E. The completed interval and first and last take points for the **Love Shack 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 12,678’. Also, said horizontal spacing unit is to be dedicated to the proposed **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 the irregular Section 8-T26S-R35E. The completed interval and first and last take points for the **Love Shack Fed Com 511H** well will meet statewide setback requirements for horizontal oil wells. The well will target the Wolfcamp B Shale at an approximate True Vertical Depth of 12,993’.



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.

Locator Map

With Cross-Section

-  Pooling outline
-  Cross-Section line

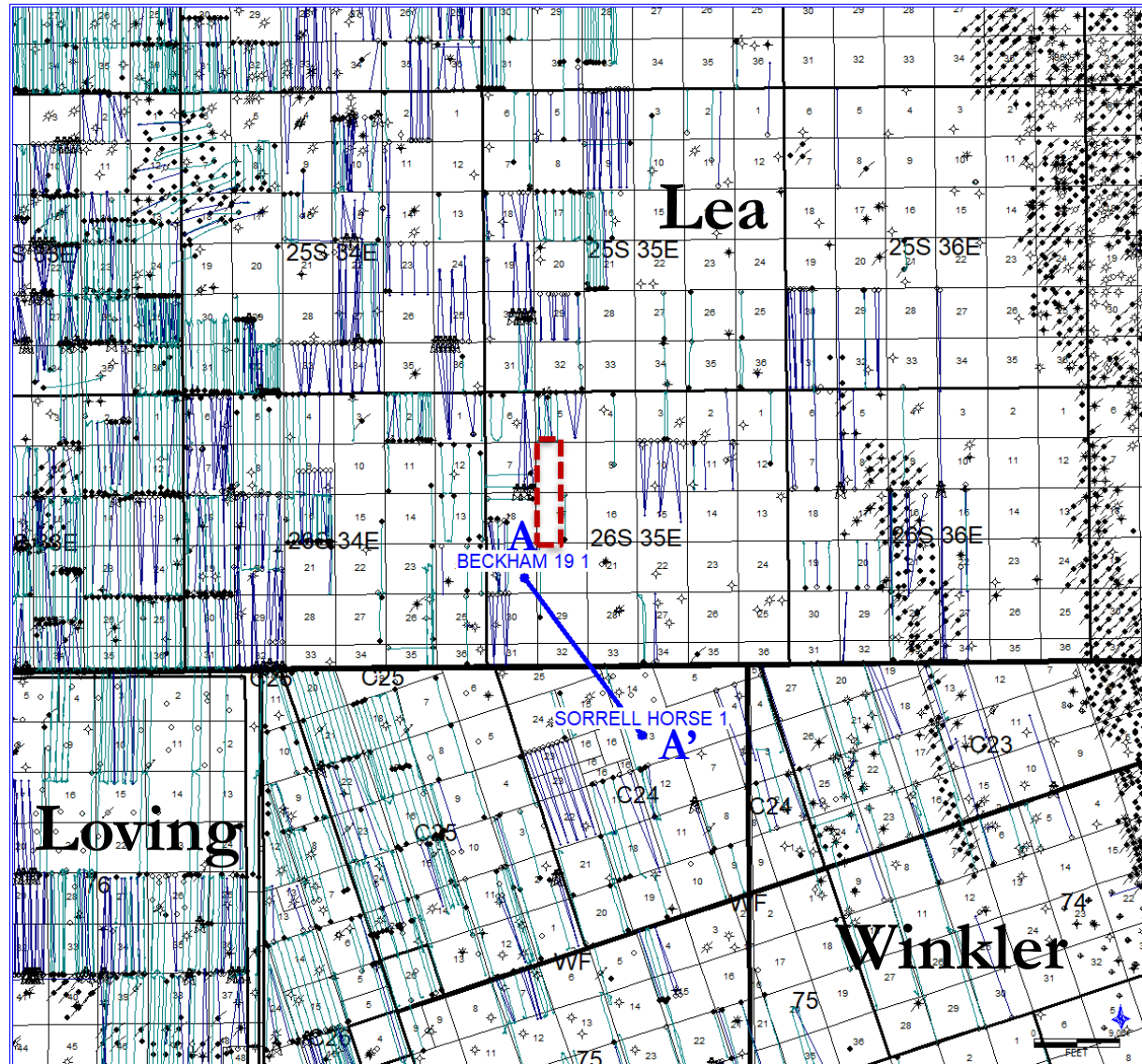





Exhibit B-2
Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21200 & 21201
April 30, 2020

Spacing Unit Schematic

With Approximate Well Location

-  Pooling outline
-  Cross-Section line
-  Love Shack Fed Com 321H Wellbore

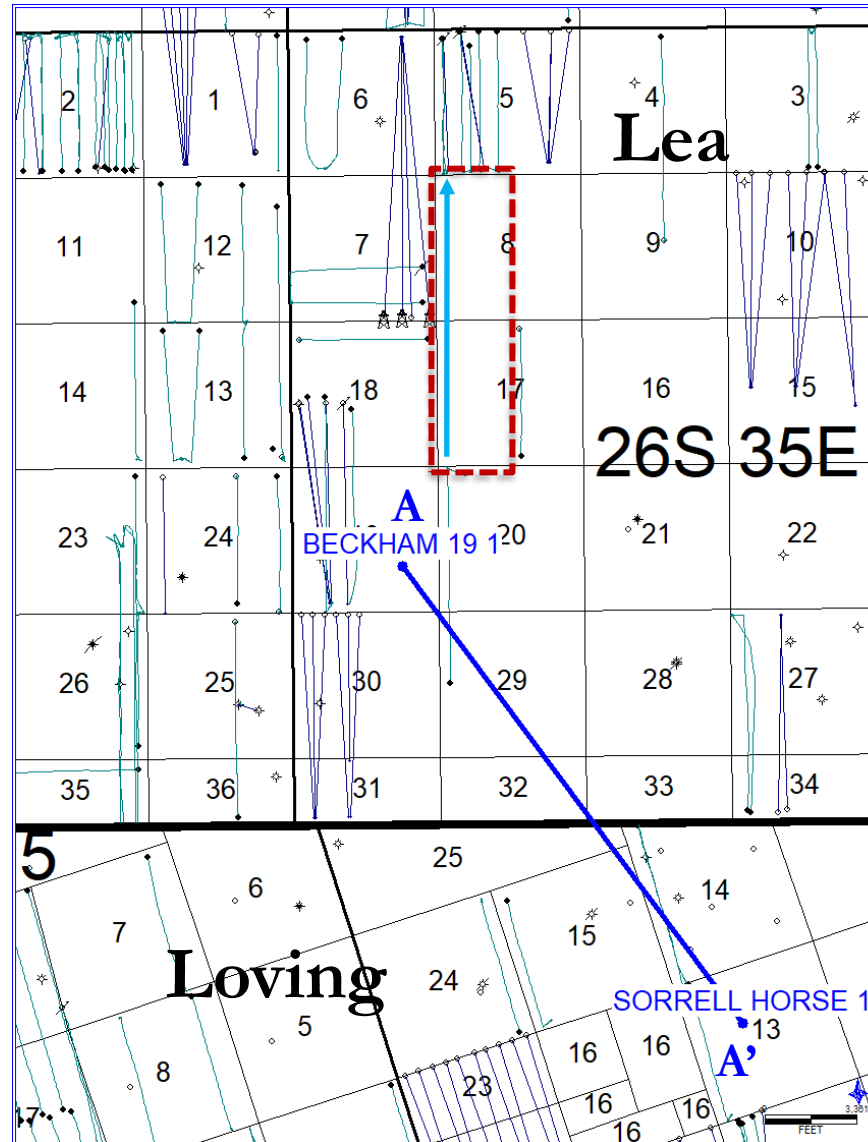




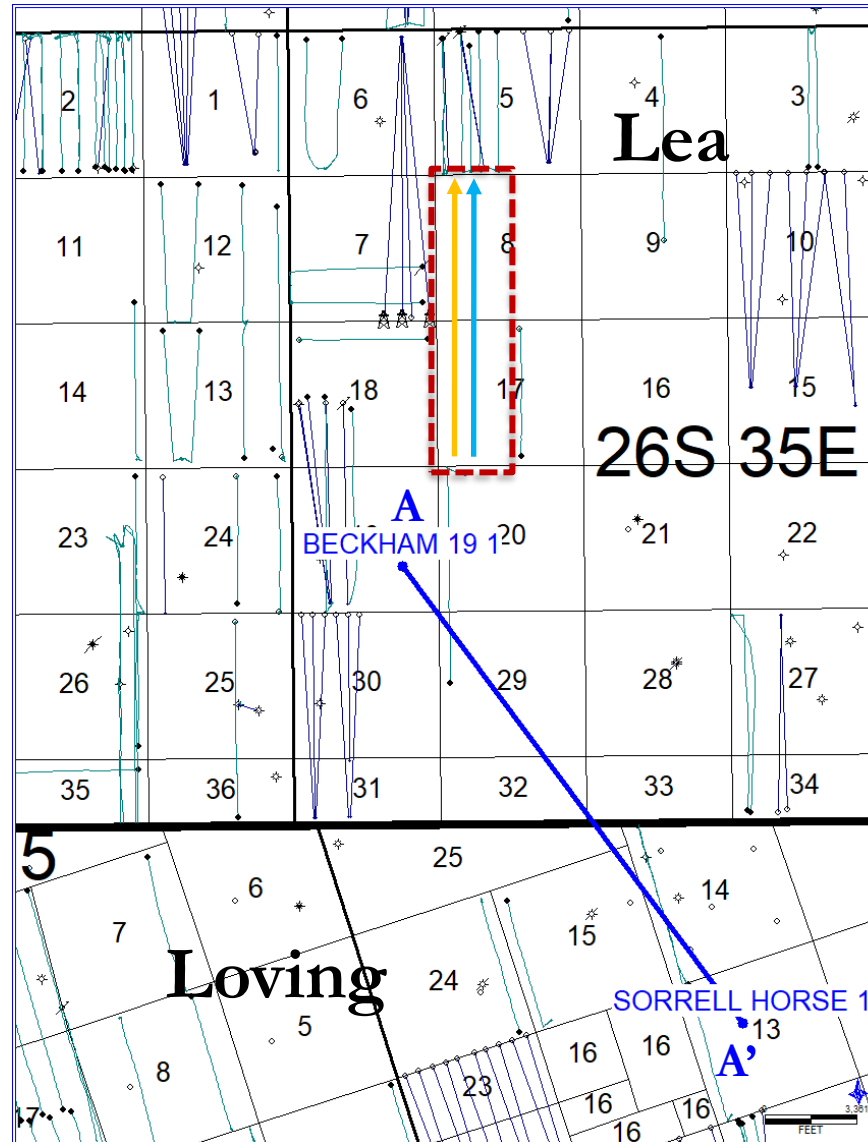


Exhibit B-3
Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21200 & 21201
April 30, 2020

Spacing Unit Schematic

With Approximate Well Location

-  Pooling outline
-  Cross-Section line
-  Love Shack Fed Com 431H Wellbore
-  Love Shack Fed Com 511H Wellbore



HSU Cross-Section

Petrophysical Logs Support 3rd Bone Spring Sand Target / Landing Zone

A

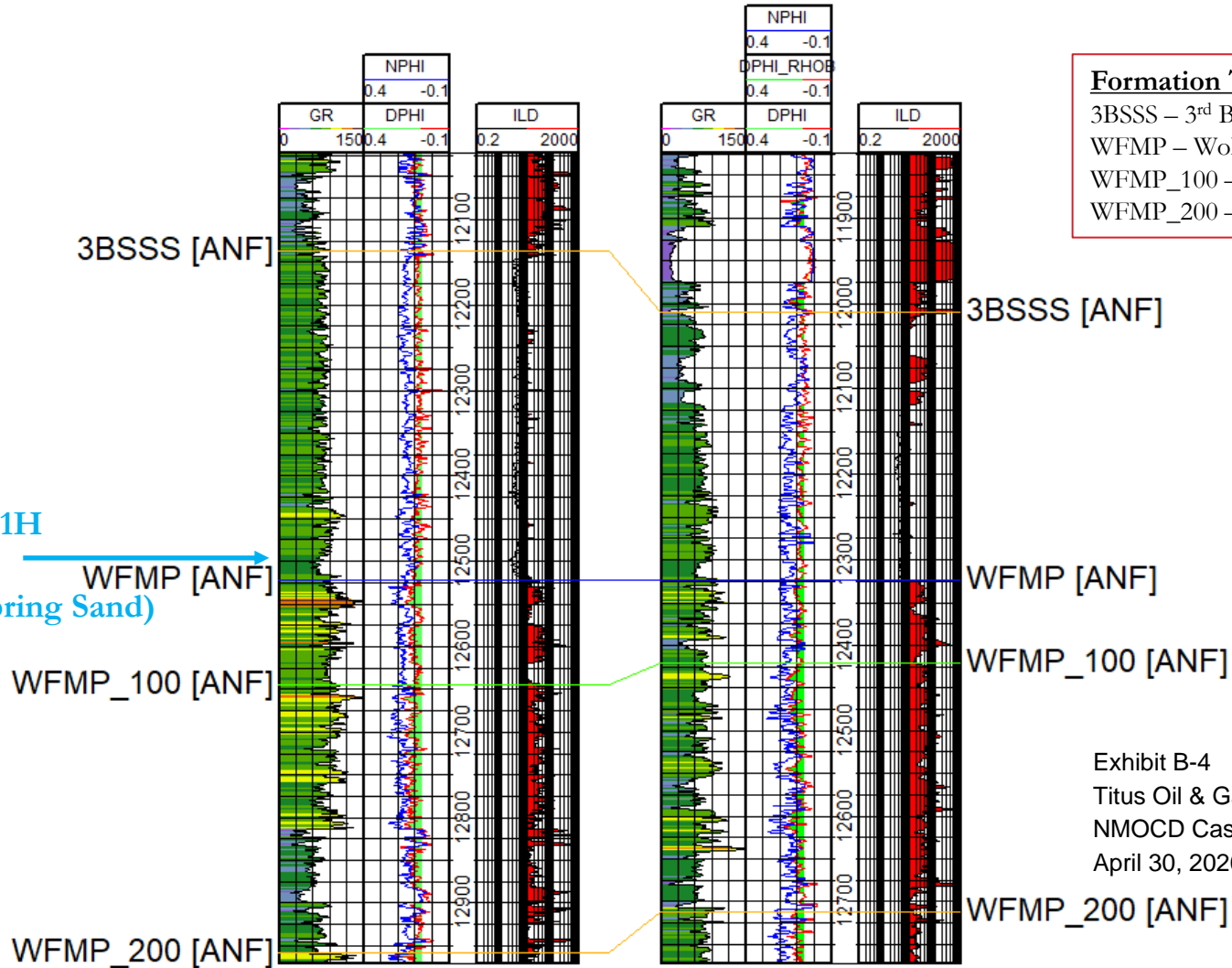
T26S R35E S19
3002537080000
BECKHAM 19 1



BC24 S13
42301303570000
SORRELL HORSE 1



A'



Formation Top Key:

3BSSS – 3rd Bone Spring Sandstone
WFMP – Wolfcamp
WFMP_100 – Wolfcamp A
WFMP_200 – Wolfcamp B

Exhibit B-4
Titus Oil & Gas Production, LLC
NMOCD Case No. 21200
April 30, 2020

HSU Cross-Section

Petrophysical Logs Support Wolfcamp A & B Shale Targets / Landing Zones

A

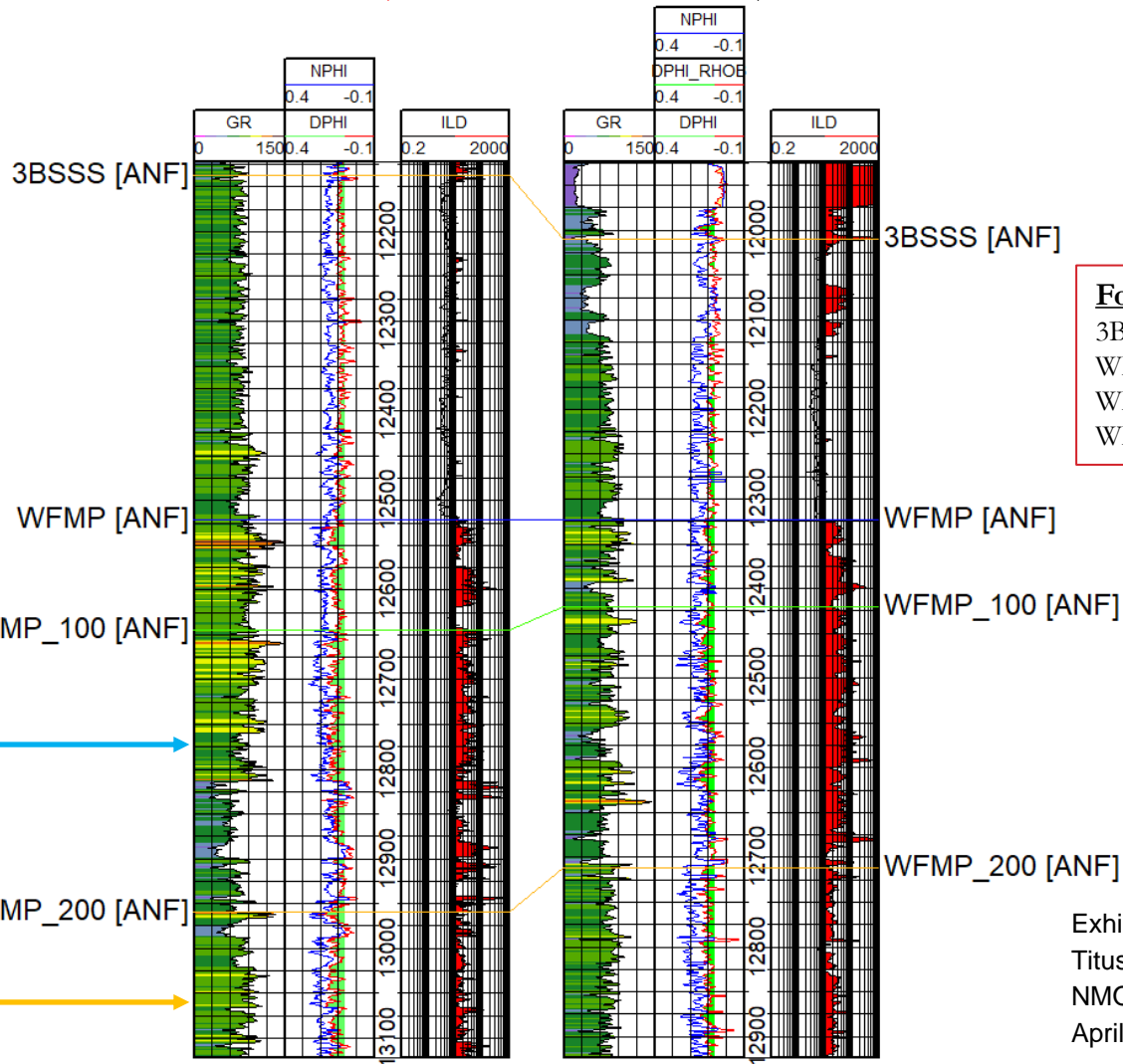
T26S R35E S19
30025370800000
BECKHAM 19 1



BC24 S13
42301303570000
SORRELL HORSE 1



A'



Formation Top Key:

3BSSS – 3rd Bone Spring Sandstone
WFMP – Wolfcamp
WFMP_100 – Wolfcamp A
WFMP_200 – Wolfcamp B

Love Shack
Fed Com 431H
Target
(Wolfcamp A)

Love Shack
Fed Com 511H
Target
(Wolfcamp B)

Exhibit B-5
Titus Oil & Gas Production, LLC
NMOCD Case No. 21201
April 30, 2020

Titus' Love Shack Horizontal Spacing Unit Gunbarrel

Love Shack Fed Com 321H – 3rd Bone Spring Sand target

Exhibit B-6

Titus Oil & Gas Production, LLC

NMOCD Case Nos. 21200 & 21201

April 30, 2020

Love Shack
HSU

Beckham 19 1
Sec. 19 – 26S – 35E

LOWER BRUSHY

LEONARD A

LEONARD B

LEONARD C

1ST BONE SPRING SAND

2ND BONE SPRING SHALE

2ND BONE SPRING LIME

2ND BONE SPRING SAND

3RD BONE SPRING LIME

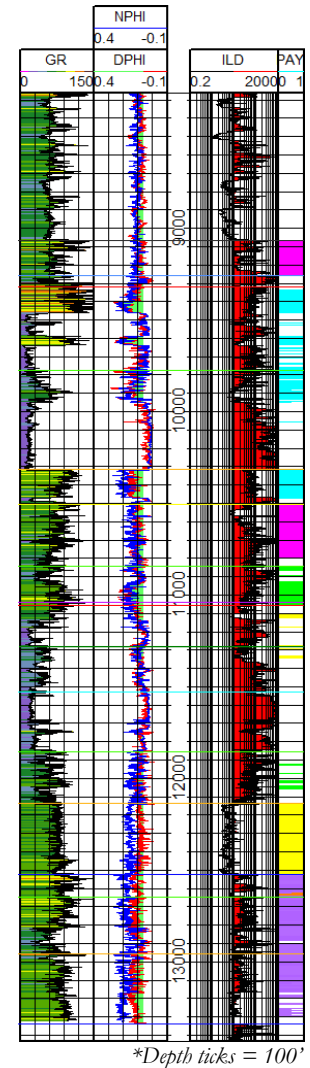
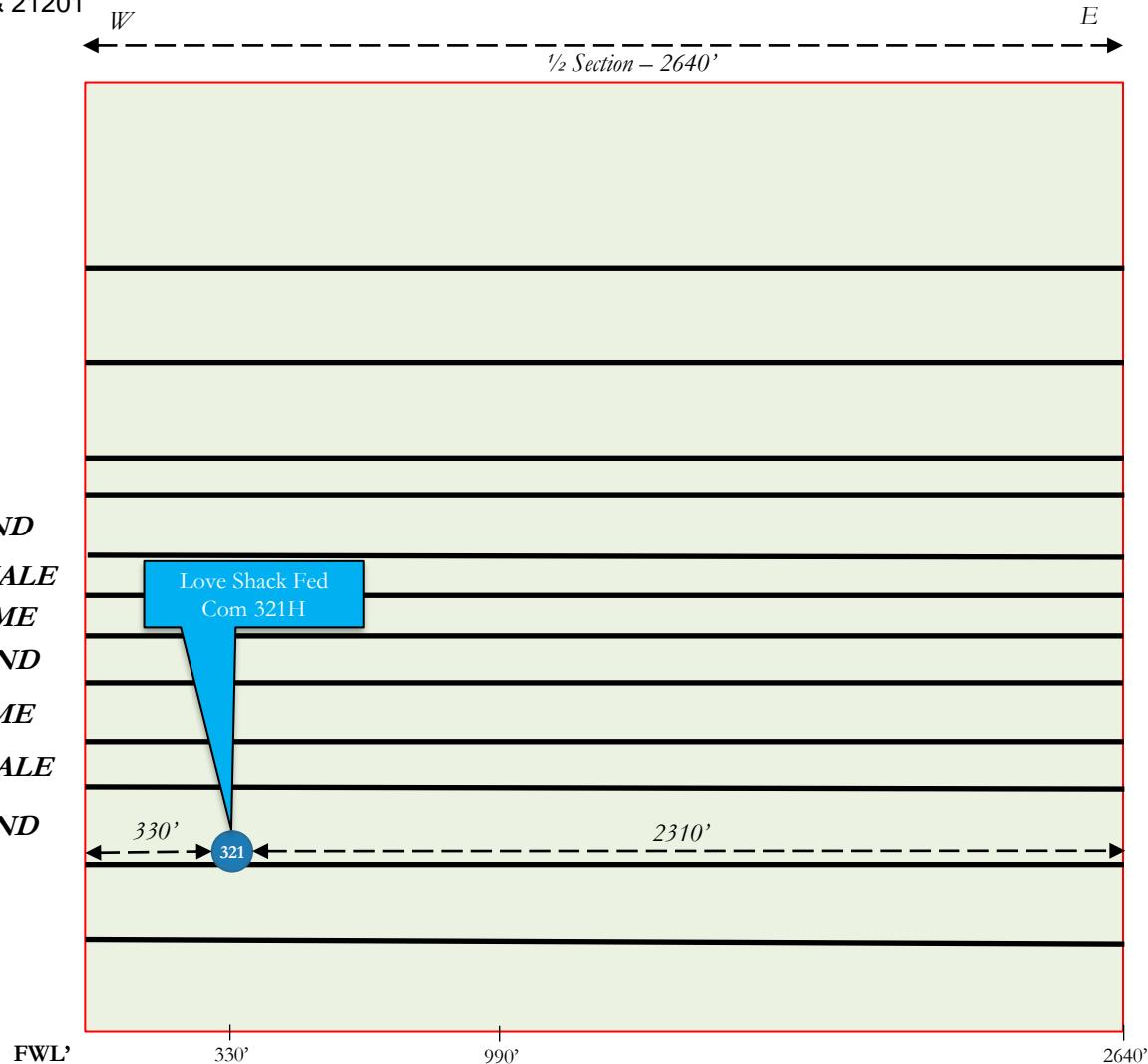
3RD BONE SPRING SHALE

3RD BONE SPRING SAND

WOLFCAMP XY

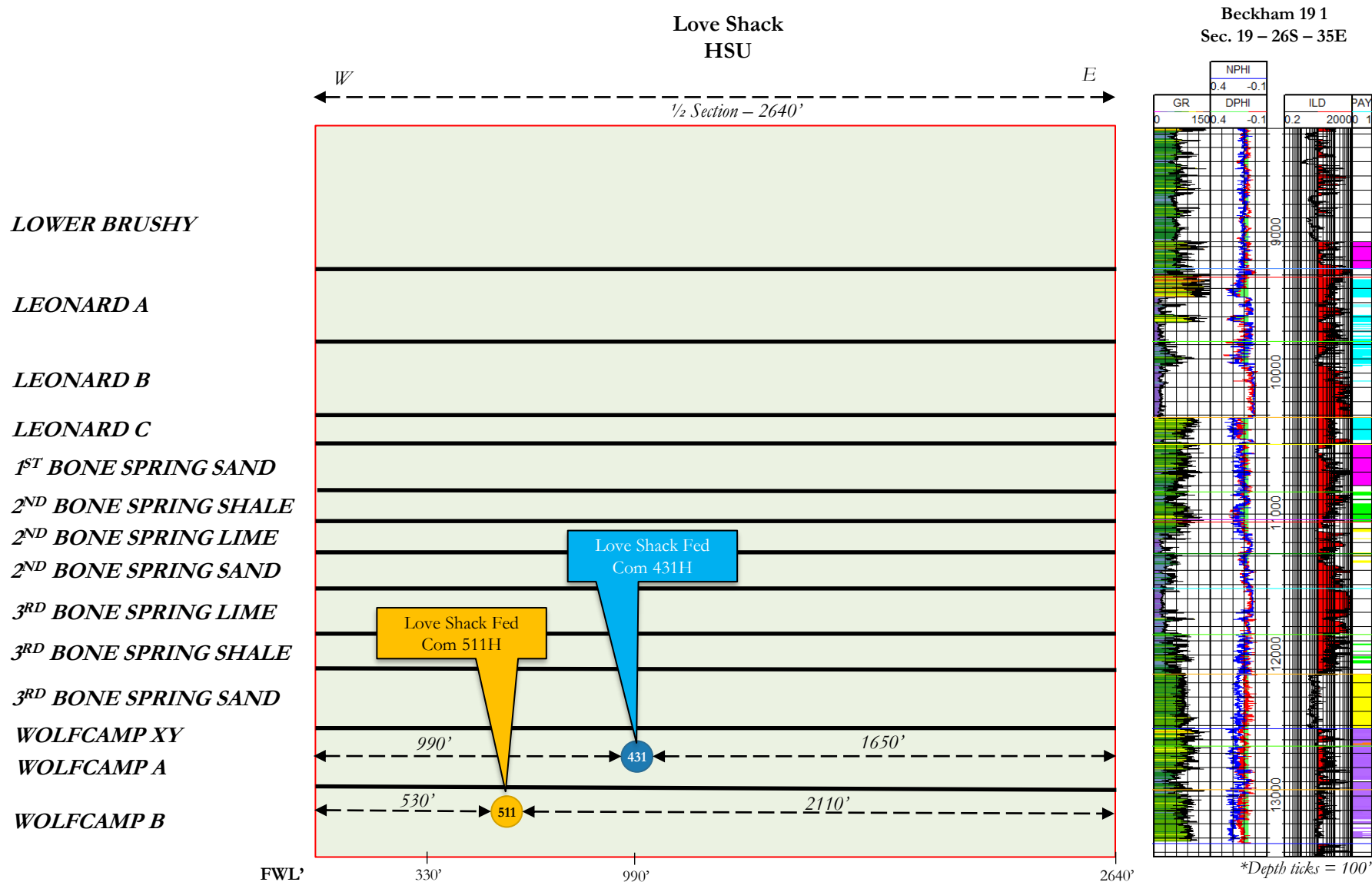
WOLFCAMP A

WOLFCAMP B



Titus' Love Shack Horizontal Spacing Unit Gunbarrel






Love Shack Fed Com 431H & 511H – Wolfcamp A & B Targets



3rd Bone Spring Sand Structure Map

Contour Interval: 50 ft.

Subsea Depth

-  Pooling outline
-  Cross-Section line
-  Love Shack Fed Com 321H Wellbore
-  3rd Bone Spring Sand structure contours
-  -8,900 Control points

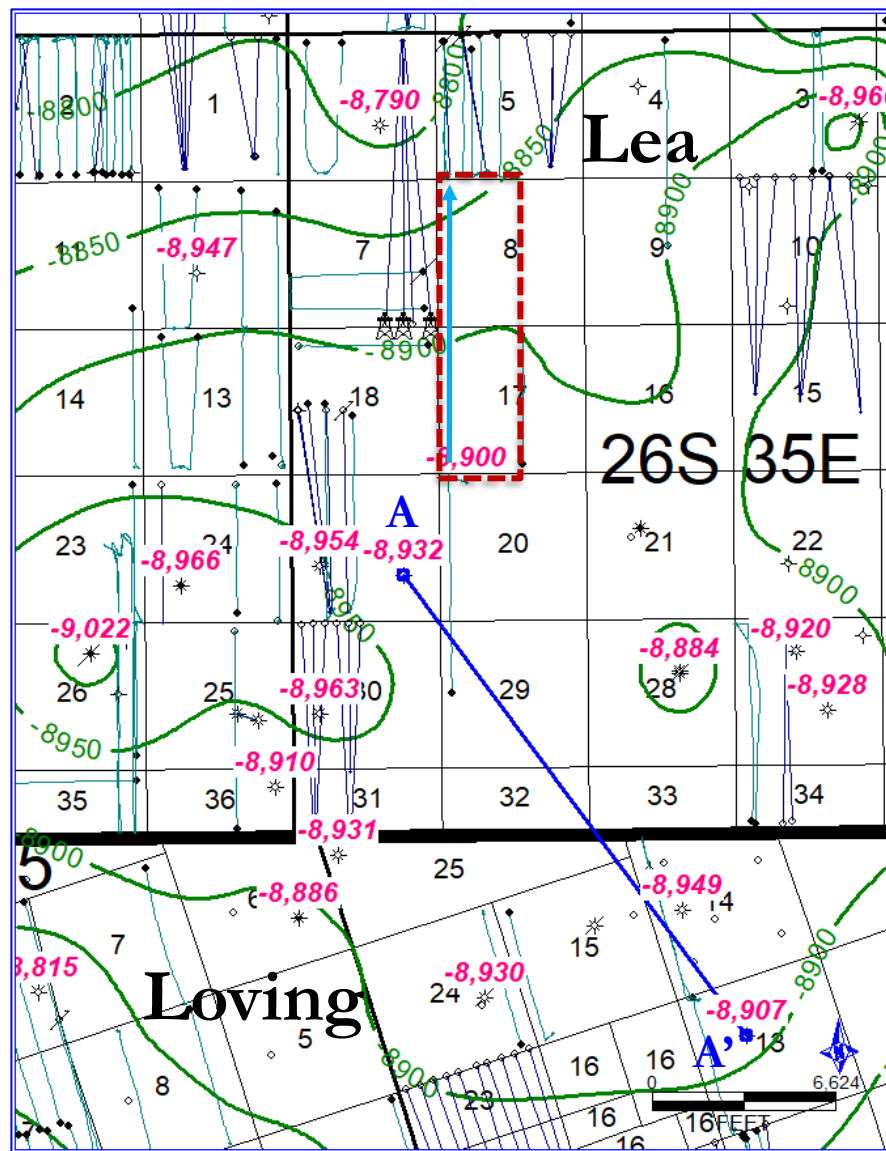


Exhibit B-7
 Titus Oil & Gas Production, LLC
 NMOCD Case No. 21200
 April 30, 2020

Wolfcamp Structure Map

Contour Interval: 50 ft.

Subsea Depth

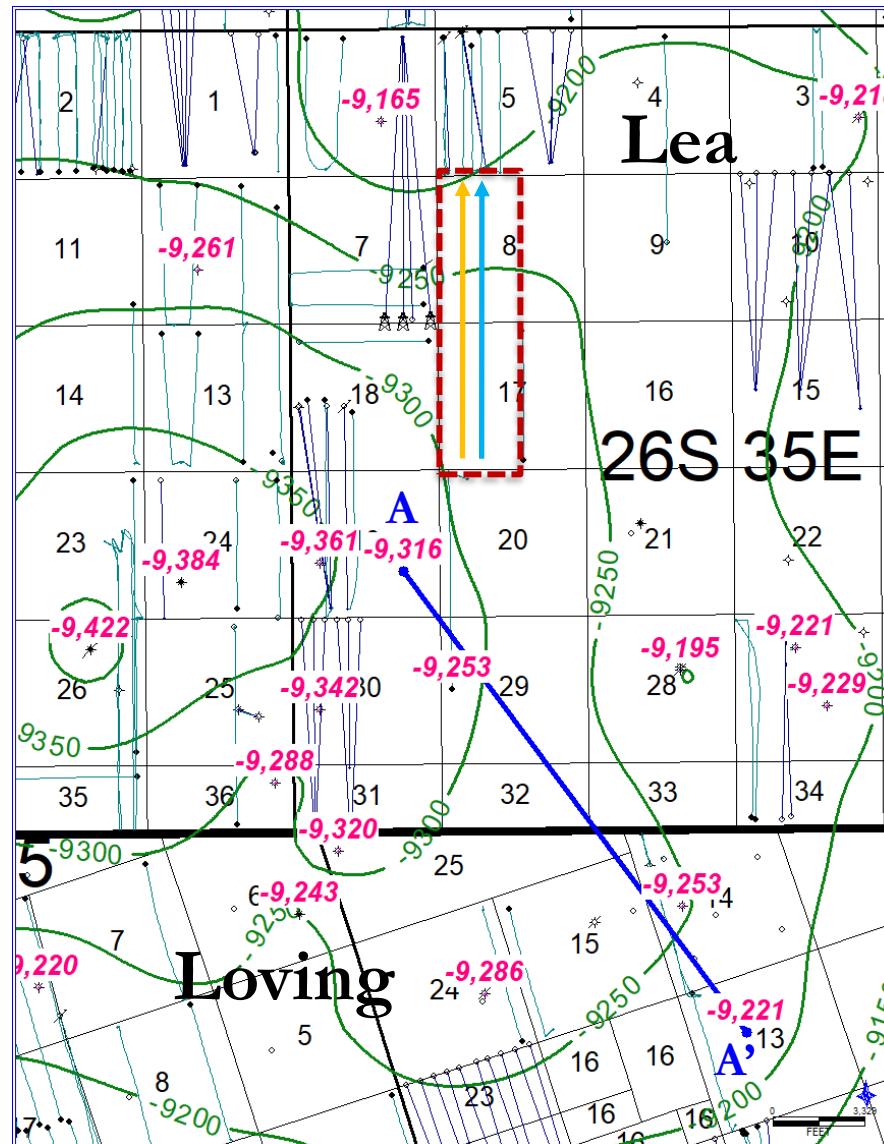
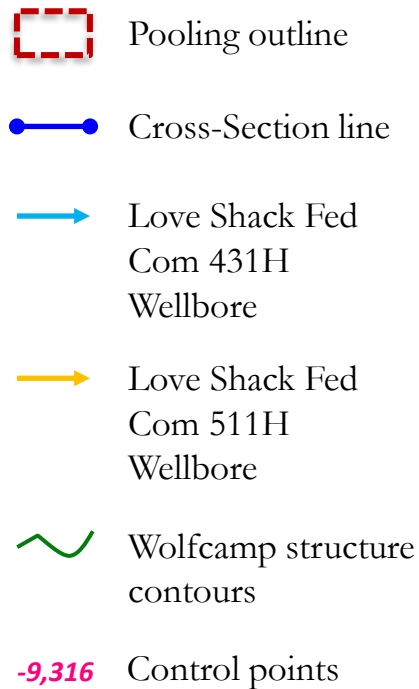


Exhibit B-8
Titus Oil & Gas Production, LLC
NMOCD Case No. 21201
April 30, 2020

3rd Bone Spring Sand Isopach Map

Contour Interval: 10 ft.

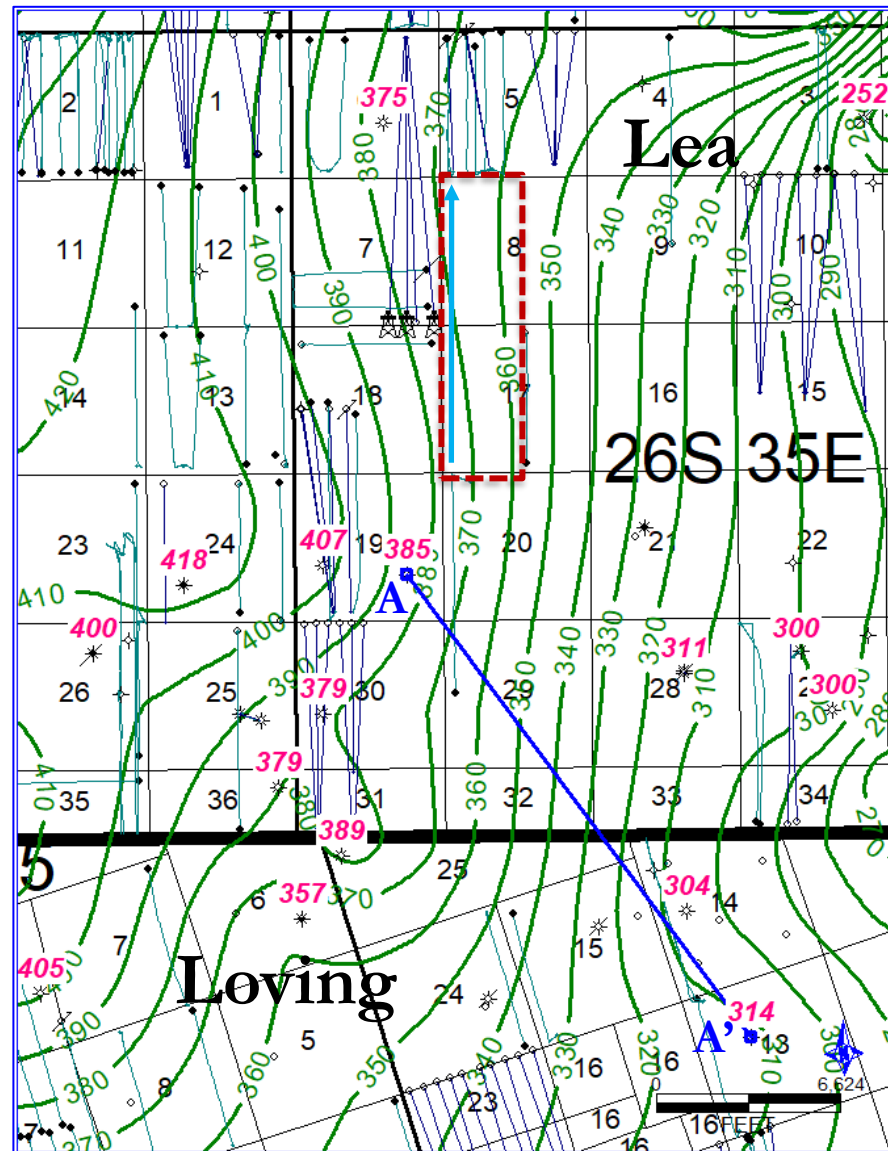
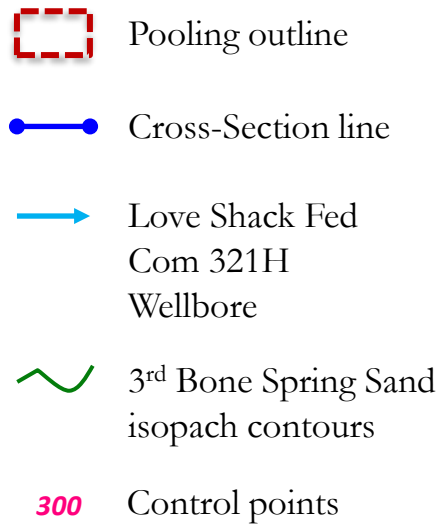






Exhibit B-9
Titus Oil & Gas Production, LLC
NMOCD Case No. 21200
April 30, 2020

Wolfcamp A Isopach Map

Contour Interval: 10 ft.

-  Pooling outline
-  Cross-Section line
-  Love Shack Fed
Com 431H
Wellbore
-  Wolfcamp isopach
contours
- 300** Control points

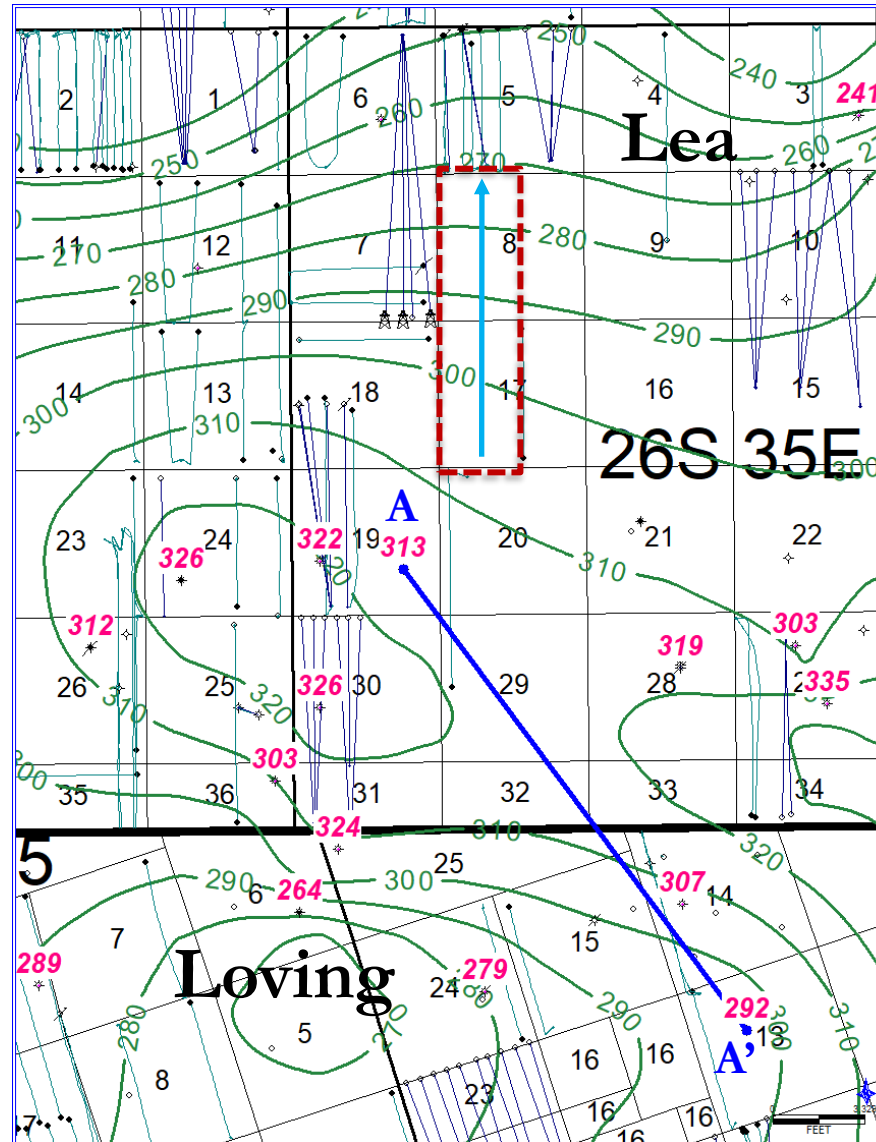





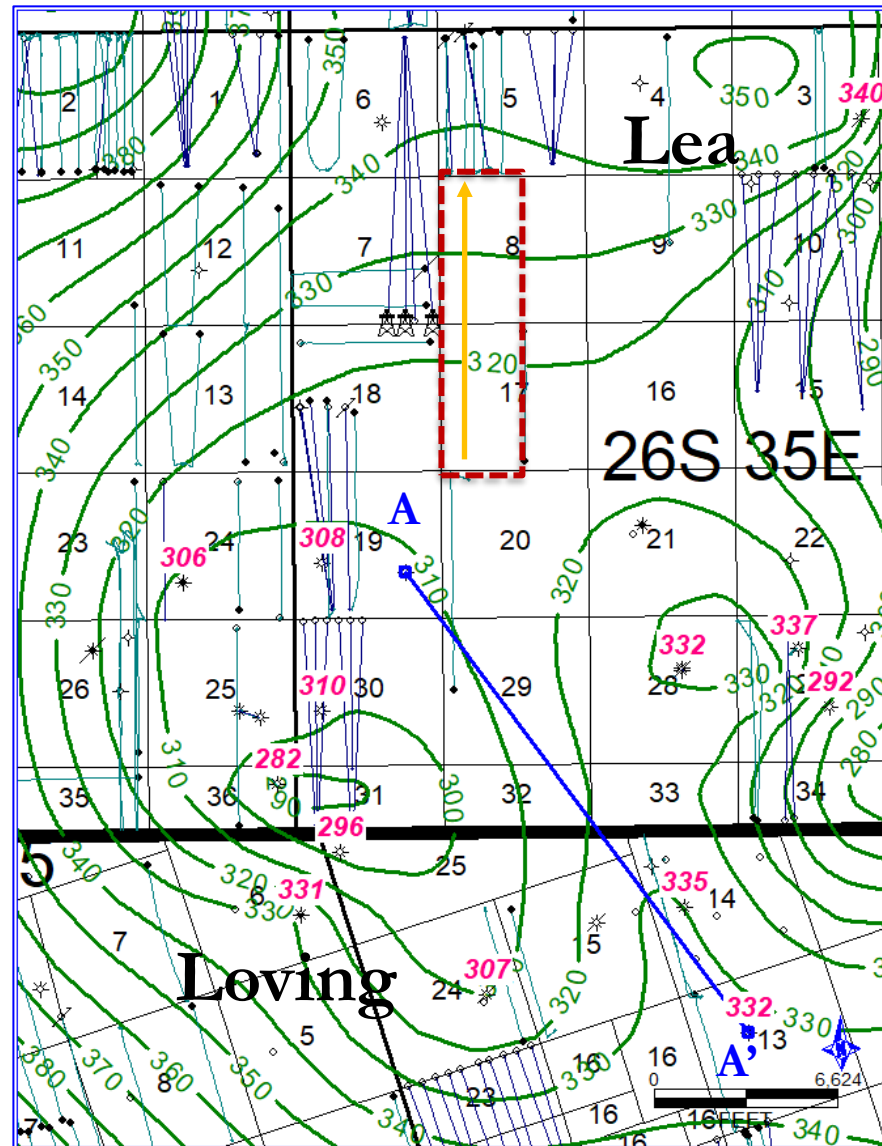


Exhibit B-10
Titus Oil & Gas Production, LLC
NMOCD Case No. 21201
April 30, 2020

Wolfcamp B Isopach Map

Contour Interval: 10 ft.

-  Pooling outline
-  Cross-Section line
-  Love Shack Fed
Com 511H
Wellbore
-  Wolfcamp isopach
contours
-  Control points



Tab 9

**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

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 matters, 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 on March 13, 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 March 19, 2020, which is reflected in the Affidavit of Publication attached hereto as Exhibit B. Exhibit A demonstrates to my satisfaction that all parties entitled to notice were personally served by certified mailing.

**EXHIBIT C
Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21200 & 21201
April 30, 2020**

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.


SHARON T. SHAHEEN

SUBSCRIBED AND SWORN to before me this 28th day of April, 2020.


Notary Public

My Commission Expires:

August 13, 2023

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:

Sharbro Energy, LLC
P.O. Box 840
Artesia, NM 882211-1091

2. Article Number
(Transfer from service label)

7015 1730 0000 9793 9025

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Kendra Guy*

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Kendra Guy

C. Date of Delivery

D. Is delivery address different from item 1?

☐ YesIf 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

7015 1730 0000 9793 9025
7015 1730 0000 9793 9025U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail OnlyFor delivery information, visit our website at www.usps.com®.

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

\$

Total

\$

Sent

Street

City

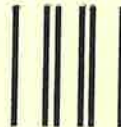
State

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

Sharbro Energy, LLC
P.O. Box 840
Artesia, NM 882211-1091

UNITED STATES POSTAL SERVICE



First-Class Mail®
Postage & Fee
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

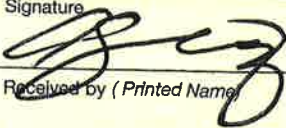
Titus Oil & Gas/Love Shack
15412-2004/STS

EXHIBIT A

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <i>K. Pratt</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157</p>		<p>B. Received by (Printed Name) <i>K. Pratt</i> C. Date of Delivery <i>3/16</i></p>	
<p>2. Article Number (Transfer from service label) 7015 1730 0000 9793 9032</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>PS Form 3811, February 2004</p>		<p>Domestic Return Receipt 102595-02-M-1540</p>	

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com	
<p>Certified Mail Fee \$</p> <p>Extra Services & Fees (check box, add fee as appropriate)</p> <p><input type="checkbox"/> Return Receipt (hardcopy) \$</p> <p><input type="checkbox"/> Return Receipt (electronic) \$</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery \$</p> <p><input type="checkbox"/> Adult Signature Required \$</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery \$</p> <p>Postage \$</p> <p>Total \$</p> <p>Sent \$</p> <p>Street</p> <p>City</p>	<p>Postmark Here</p> <p>SANTA FE NM MAR 13 2004 USPO 87504</p>
<p>Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157</p>	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

UNITED STATES POSTAL SERVICE		First-Class Mail Postage & Fees Paid USPS Permit No. G-1
<p>• Sender: Please print your name, address, and ZIP+4 in this box •</p>		
<p>MONTGOMERY & ANDREWS LAW FIRM</p> <p>P.O. Box 2307 Santa Fe, New Mexico 87504-2307</p>		
<p>Titus Oil & Gas/Love Shack 15412-2004/STS</p>		


SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> 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. 	<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label)</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>7015 1730 0000 9793 9049</p>	

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

U.S. Postal Service TM	
CERTIFIED MAIL [®] RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at www.usps.com .	
<p>Certified Mail Fee</p> <p>\$ 7015 1730 0000 9793 9049</p>	<p>State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501</p>
<p>Extra Services & Fees (check box, add fee as appropriate)</p> <p><input type="checkbox"/> Return Receipt (hardcopy) \$ _____ <input type="checkbox"/> Return Receipt (electronic) \$ _____ <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ <input type="checkbox"/> Adult Signature Required \$ _____ <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____</p>	<p>Postage</p> <p>\$ 7015 1730 0000 9793 9049</p>
<p>Total</p> <p>\$ _____</p>	<p>Postmark Here</p> <p></p>
<p>PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions</p>	

UNITED STATES POSTAL SERVICE	
<p>• Sender: Please print your name, address, and ZIP+4 in this box •</p>	<p>First-Class Mail Postage & Fees Paid USPS Permit No. G-10</p>
<p> MONTGOMERY & ANDREWS LAW FIRM</p> <p>P.O. Box 2307 Santa Fe, New Mexico 87504-2307</p>	<p>Titus Oil & Gas/Love Shack 15412-2004/STS</p>

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

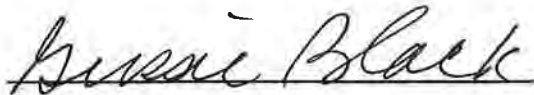
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
March 19, 2020
and ending with the issue dated
March 19, 2020.



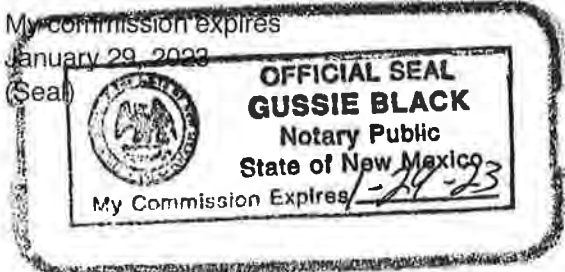
Publisher

Sworn and subscribed to before me this
19th day of March 2020.


Business Manager

My commission expires
January 29, 2023

(Seal)



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

LEGAL

LEGAL

LEGAL NOTICE MARCH 19, 2020

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns and any other uncommitted interest owners: Sharbro Energy, LLC; New Mexico State Land Office; and Bureau of Land Management.

Titus Oil & Gas Production, LLC, has filed two (2) applications with the New Mexico Oil Conservation Division as follows:

Case No. 21200: 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 Bone Spring (Oil) 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. Applicant proposes to drill the following well: **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 this well will meet statewide setback requirements for horizontal 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. 21201: 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; 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. Applicant proposes to drill the following wells: (1) **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 (2) **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 intervals and first and last take points for these wells will meet statewide setback requirements for horizontal 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 wells and lands are located approximately 13 miles southwest of Jal, New Mexico.

Hearing on these applications will proceed before a Division Examiner on April 2, 2020, at 8:15 a.m. in Room 311, at the New Mexico State Capitol Building (the Roundhouse), 490 Old Santa Fe Trail, 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, #35334

01101398

00240815

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

EXHIBIT B