

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

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

CASE NOS. 21208, 21209, 21210, 21211, 21212

PRE-HEARING STATEMENT

Chevron U.S.A. Inc. ("Chevron") provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

Titus Oil & Gas Production, LLC

APPLICANT'S ATTORNEY

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OPPONENTS

Chevron U.S.A. Inc.

OPPONENTS' ATTORNEYS

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STATEMENT OF THE CASES

In Case Nos. **21208, 21209, 21210, 21211, 21212** Titus has applied for orders pooling all mineral interests as set forth in its respective applications and pre-hearing statements.

The public health emergency surrounding COVID-19 has created uncertainties of drilling, development and production commonly acknowledged by mineral owners and operators in the industry. To protect its correlative rights, to ensure its “just and equitable share of the oil or gas,” and to prevent waste, Chevron respectfully requests that a special payment provision be incorporated into the Division’s order which mirrors the cash call provision in the standard form of AAPL Joint Operating Agreement, as follows:

Applicant, at its election, shall have the right from time to time to demand and receive from one or more of the other parties payment in advance of their respective shares of the estimated amount of expense to be incurred in operations hereunder during the next succeeding month, which right may be exercised only by submission to each such party of an itemized statement of such expense, together with an invoice for its share thereof. Each such statement and invoice for the payment in advance of estimated expense shall be submitted on or before the 20th day of the next preceding month. Each party shall pay to Operator its proportionate share of such estimate within fifteen (15) days after such estimate and invoice is received. Proper adjustment shall be made monthly between advances and actual expense to the end that each party shall bear and pay its proportionate share of actual expenses incurred, and no more.

PROPOSED EVIDENCE

Chevron U.S.A. Inc.

Chevron does not intend to present witness testimony

Titus Oil & Gas Production, LLC

WITNESS

ESTIMATED TIME

EXHIBITS

As stated in Applicant’s Pre-Hearing Statement

PROCEDURAL MATTERS

The special payment provision which Chevron requests be included in any Division order granting the referenced applications has previously been accepted by parties and the Division in

prior orders. If Applicant agrees to incorporate Chevron's proposed special payment provision, Chevron will not oppose Applicant's presenting the subject applications by affidavit.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: /s/ Candace Callahan

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Attorneys for Chevron U.S.A. Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on June 17, 2020.

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