APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21443, LEA COUNTY, NEW MEXICO

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21444, LEA COUNTY, NEW MEXICO

Case No. 22022 Order No. R-21443 (Re-Open)

Case No. 22023 Order No. R-21444 (Re-Open)



# *El Campeon Fed Com* 322H, 432H, & 512H

July 1, 2021

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# TAB 1

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21443, LEA COUNTY, NEW MEXICO

Case No. 22022 Order No. R-21443 (Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21444, LEA COUNTY, NEW MEXICO

Case No. 22023 Order No. R-21444 (Re-Open)

#### AFFIDAVIT OF REED BRUNETTE

- 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 Staff Landman with Titus Oil & Gas Production, LLC ("Titus"), and I am familiar with the subject applications and the lands involved.
- 3. This affidavit is submitted in connection with the filing by Titus of the above-referenced 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. My education and work experience are as follows: I graduated from The University of Texas in 2014 with a liberal arts degree in earth science and a certificate in the Energy Management Program. I have been employed by Titus since

Exhibit A
Titus Oil & Gas Production LLC
NMOCD Nos. 22022 & 22023

July 1, 2021

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- 2018. Prior to being employed by Titus, I worked for Apache Corporation as a Land Analyst in Texas and Bergman Resources, LLC as a Landman in Texas and New Mexico. I have been working on New Mexico oil and gas matters for approximately five years.
- 5. The pertinent applications are attached as **Exhibits 1-A** and **1-B**. The purpose of these applications is to amend Order Nos. R-21443 and R-21444 previously issued in Case Nos. 21252 and 21253, respectively, to extend the time, by one year, for drilling the following wells:
  - a. Case No. 22022: The El Campeon Fed Com 322H well (API #30-025-48136)
     ("El Campeon 322H Well") approved in Order No. R-21443 (previous Case No. 21252);
  - b. Case No. 22023: The (1) El Campeon Fed Com 432H well (API # 30-025-47394) ("El Campeon 432H Well") and the (2) El Campeon Fed Com 512H well (API # 30-025-48138) ("El Campeon 512H Well") approved in Order No. R-21444 (previous Case No. 21253).
  - 6. The pertinent orders are attached as **Exhibits 2-A** and **2-B**.
    - a. **Order No. R-21443**, regarding the El Campeon Fed Com 322H Well, pooled uncommitted interest owners in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 W/2 of Section 29, Township 26 South, Range 35 East, and the E/2 NW/4 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Section 32 is an irregular section in which the south line of the E/2 NW/4 is the New Mexico-Texas border.
    - b. **Order No. R-21444**, regarding the El Campeon Fed Com 432H Well and El Campeon Fed Com 512H Well, pooled uncommitted interest owners in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 W/2 of Section 29, Township 26 South, Range 35 East, and the E/2 NW/4 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Section 32 is an irregular section in which the south line of the E/2 NW/4 is the New Mexico-Texas border.
- 7. The orders designated Titus as the operator of the above-referenced wells and HSUs.
  - 8. Titus is a working interest owner in the HSUs and has the right to drill thereon.

- 9. In Case Nos. 22022 and 22023, Titus requests the Division to re-open the matters previously heard in Case Nos. 21252 and 21253 to extend the time to commence drilling the above-referenced wells to be no later than September 3, 2022, which will be a one-year extension from the time to commence drilling granted in Order Nos. R-21443 and R-21444.
- 10. The Division hearings in original Case Nos. 21252 and 21253 were held on August 20, 2020.
- 11. The Division entered Order No. R-21443 in Case No. 21252 and Order No. R-21444 in Case No. 21253 on September 3, 2020.
- 12. At paragraph 19, each order states, "The Operator shall commence drilling the Well(s) within one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well." At paragraph 20, each order states, "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by an amendment of this Order for good cause shown."
- 13. Under Order Nos. R-21443 and R-21444, Titus would be required to commence drilling the wells thereunder by September 3, 2021.
  - 14. Good cause exists for the Division to grant the extensions.
- 15. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to COVID-19 and current market conditions. In addition, the executive order entered by the federal administration in January 2021 impacted the timing of federal permitting, right-of-way, and sundries among other federal approvals needed prior to drilling.
- 16. Titus's operations and drilling activity have been impacted by COVID-19, oil and gas market conditions, and delays in federal permitting.
  - 17. Titus is in good standing under the statewide rules and regulations.

- 18. Titus notified all parties pooled under the orders regarding the requests to re-open these matters for an extension of time to drill. A sample notice letter for Case Nos. 22022 and 22023 is attached hereto as **Exhibit 3**. Proof of notification, including proof of publication, can be found at **Tab 2** of the exhibit package.
- 19. In Case Nos. 21252 and 21253, no party has entered an appearance. Consequently, no opposition is expected.
- 20. Titus incorporates all exhibits provided and admitted into the record at the hearing for the original Case Nos. 21252 and 21253 by reference herein.
- 21. Titus is not requesting changes to any provisions in the orders, other than the changes requested herein, and asks that all other rights and privileges granted to Titus in the orders remain the same.
- 22. The exhibits to this Affidavit were prepared by me, or compiled from Titus's business records.
- 23. The granting of these applications is 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 A	FFIANT	SAYETH	NAUGHT
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Reed Brunette

STATE OF TEXAS ) )ss

COUNTY OF TARRANT )

Subscribed to and sworn before me this 29th day of June, 2021.

JOHN DAVIES
Notary Public, State of Texas
Comm. Expires 09-20-2021
Notary ID 131287515

Notary Public

My Commission expires

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APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21443, LEA COUNTY, NEW MEXICO

Case No. 22022 Order No. R-21443 (Re-Open)

#### **APPLICATION**

Titus Oil & Gas Production, LLC, OGRID No. 373986 ("Titus"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and Ricardo S. Gonzales), hereby files this application with the Oil Conservation Division to amend Order No. R-21443 entered in Case No. 21252 to extend the time for drilling the **El Campeon Fed Com 322H** (API No. 30-025-48136) ("El Campeon 322H Well") approved in Order No. R-21443. In support of its application, Titus states as follows:

- 1. Order No. R-21443 pooled uncommitted interest owners in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 W/2 of Section 29, Township 26 South, Range 35 East, and the E/2 NW/4 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the El Campeon 322H Well. Section 32 is an irregular section in which the south line of the E/2 NW/4 is the New Mexico-Texas border.
  - 2. Titus is a working interest owner in the HSU and has the right to drill thereon.

Titus Oil & Gas Production LLC NMOCD Nos. 22022 & 22023 July 1, 2021

<sup>&</sup>lt;sup>1</sup> Order No. R-21443 entered in Case No. 21252 is one of two orders entered on September 3, 2020, relating to Titus's "El Campeon" well group. By separate application, Titus is seeking to amend Order No. 21444 entered in Case No. 21253.

Exhibit 1-A

- 3. Order No. R-21443 designated Titus as the operator of the El Campeon 322H Well and the HSU.
- 4. Titus requests the Division re-open the matter to extend the time to commence drilling the Campeon 322H Well to be no later than September 3, 2022, which will be a one-year extension from the time to commence drilling granted in Order No. R-21443.
- 5. The Division Hearing in the original proceeding, Case No. 21252, was held on August 20, 2020, in conjunction with one other Titus case, Case No. 21253.
- 6. The Division entered Order No. R-21443 in Case No. 21252 on September 3, 2020.
- 7. Order No. R-21443, ¶ 19, states, "The Operator shall commence drilling the Well(s) within one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well." Order No. R-21443, ¶ 20, states, "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown."
- 8. Under Order No. R-21443, Titus would be required to commence drilling the wells by September 3, 2021.
  - 9. Good cause exists for the Division to grant the extension.
- 10. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to COVID-19 and current market conditions. In addition, the executive order entered by the federal administration in January 2021 impacted the timing of federal permitting, right-of-way, and sundries among other federal approvals needed prior to drilling.
- 11. Titus's operations and drilling activity have been impacted by COVID-19, oil and gas market conditions, and delays in federal permitting.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 1, 2021, and that, after notice and hearing as required by law, the Division enter an order amending Order No. R-21443 to extend the time to commence drilling the El Campeon 322H Well to be no later than September 3, 2022.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen
Ricardo S. Gonzales
Post Office Box 2307
Santa Fe, NM 87504-2307
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rgonzales@montand.com

Attorneys for Titus Oil & Gas Production, LLC

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21444, LEA COUNTY, NEW MEXICO

Case No. <u>22023</u> Order No. R-21444 (Re-Open)

#### **APPLICATION**

Titus Oil & Gas Production, LLC, OGRID No. 373986 ("Titus"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen), hereby files this application with the Oil Conservation Division to amend Order No. R-21444 entered in Case No. 21253 to extend the time for drilling the (1) **El Campeon Fed Com 432H** (API No. 30-025-47394) ("El Campeon 432H Well"), and; (2) **El Campeon Fed Com 512H** (API No. 30-025-48138) ("El Campeon 512H Well") approved in Order No. R-21444. In support of its application, Titus states as follows:

- 1. Order No. R-21444 pooled uncommitted interest owners in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 W/2 of Section 29, Township 26 South, Range 35 East, and the E/2 NW/4 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the El Campeon 432H Well and the El Campeon 512H Well. Section 32 is an irregular section in which the south line of the E/2 NW/4 is the New Mexico-Texas border.
  - 2. Titus is a working interest owner in the HSU and has the right to drill thereon.

Exhibit 1-B
Titus Oil & Gas Production LLC
NMOCD Nos. 22022 & 22023
July 1, 2021

<sup>&</sup>lt;sup>1</sup> Order No. R-21444 entered in Case No. 21253 is one of two orders entered September 3, 2022, relating to Titus's "El Campeon" well group. By separate application, Titus is seeking to amend Order No. R-21443 entered in Case No. 21252.

- 3. Order No. R-21444 designated Titus as the operator of the El Campeon 432H and 512H Wells and the HSU.
- 4. Titus requests the Division re-open the matter to extend the time to commence drilling the El Campeon 432H and 512H Wells to be no later than September 3, 2022, which will be a one-year extension from the time to commence drilling granted in Order No. R-21444.
- 5. The Division Hearing in the original proceeding, Case No. 21253, was held on August 20, 2020, in conjunction with one other Titus case, Case No. 21252.
- 6. The Division entered Order No. R-21444 in Case No. 21253 on September 3, 2020.
- 7. Order No. R-21444, ¶ 19, states, "The Operator shall commence drilling the Well(s) within one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well." Order No. R-21444, ¶ 20, states, "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown."
- 8. Under Order No. R-21444, Titus would be required to commence drilling the wells by September 3, 2021.
  - 9. Good cause exists for the Division to grant the extension.
- 10. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to COVID-19 and current market conditions. In addition, the executive order entered by the federal administration in January 2021 impacted the timing of federal permitting, right-of-way, and sundries among other federal approvals needed prior to drilling.
- 11. Titus's operations and drilling activity have been impacted by COVID-19, oil and gas market conditions, and delays in federal permitting.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 1, 2021, and that, after notice and hearing as required by law, the Division enter an order amending Order No. R-21444 to extend the time to commence drilling the El Campeon 432H Well and the El Campeon 512H Well to be no later than September 3, 2022.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen Ricardo S. Gonzales Post Office Box 2307 Santa Fe, NM 87504-2307 (505) 986-2678 sshaheen@montand.com rgonzales@montand.com

Attorneys for Titus Oil & Gas Production, LLC

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY TITUS OIL & GAS PRODUCTION, LLC

CASE NO. 21252 ORDER NO. R-21443

#### **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on August 20, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

#### FINDINGS OF FACT

- 1. Titus Oil & Gas Production, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

#### **CONCLUSIONS OF LAW**

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC. Exhibit 2-A

Titus Oil & Gas Production LLC NMOCD Nos. 22022 & 22023 July 1, 2021

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- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

#### **ORDER**

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall

render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/tgw

Date: 9/03/2020

### Exhibit "A"

ALL INFORMATION IN THE APPLICATION MUST BE S	SUPPORTED BY SIGNED AFFIDAVITS
Case: 21252	APPLICANT'S RESPONSE
Date	August 20, 2020
Applicant	Titus Oil & Gas Production, LLC
Designated Operator & OGRID (affiliation if applicable)	373986 Montgomery & Andrews, P.A. (Sharon Shaheen & John McIntyre
Applicant's Counsel: Case Title:	Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	El Campeon 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:	240 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	North-South
Description: TRS/County	E2W2 of Section 29 and E2NW4 of irregular Section 32, 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, part a (100%); Tract 1, part b (100%); Tract 2 (25%); Tract 3 (100%); see Ex. A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	El Campeon Fed Com 322H, API No. 30-025-Pending
	SHL: 579' FSL and 2077' FWL, Section 20-T265-R35E, NMPM BHL: 10' FSL and 1650' FWL, Section 32-T26S-R35E, NMPM
	Completion Target: Third Bone Spring at approx. 12,500 Feet TVD
	Well Orientation: North to South
	Completion location expected to be standard
Horizontal Well First and Last Take Points	FTP (~100' FNL and 1650' FWL of Section 29-T26S-R35E); LTP (~100' FSL and 1650' FWL of Section 32-T26S-R35E)
Completion Target (Formation, TVD and MD)	Third Bone Spring - TVD (~12,500'), MD (~20,420')
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000; see Exhibit A, ¶ 19
Production Supervision/Month \$	\$800; see Exhibit A, ¶ 19
Justification for Supervision Costs	Please see AFE at Exhibit A-7
Requested Risk Charge	200%; see Exhibit A, ¶ 20
Notice of Hearing	
Proposed Notice of Hearing	Submitted with online filing of Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C; see Exhibit A-8
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	See Exhibits A-2, A-3, & A-4
Tract List (including lease numbers and owners)	Exhibits A-2, A-3, & A-4
Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled	none
Ownership Depth Severance (including percentage above & below)	none
Joinder	
Sample Copy of Proposal Letter	Exhibit A-7
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	n/a
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7
Cost Estimate to Equip Well	See AFE at Exhibit A-7
Cost Estimate for Production Facilities	See AFE at Exhibit A-7
Geology	
Summary (including special considerations)	Exhibit B-1
Spacing Unit Schematic	Exhibit B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit 8-7
Well Orientation (with rationale)	Exhibit B-1
Target Formation	Exhibits B-5 & B-6

HSU Cross Section	Exhibit B-6
Depth Severance Discussion	n/a; see Exhibit A, ¶ 12
Forms, Figures and Tables	
C-102	Exhibit A-6
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-2, A-3, & A-4
General Location Map (including basin)	Exhibit A-1
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-6
Additional Information	
CERTIFICATION: I hereby certify that the information pr	rovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
Signed Name (Attorney or Party Representative):	The same It There was
Date:	8/18/2020

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY TITUS OIL & GAS PRODUCTION, LLC

CASE NO. 21253 ORDER NO. R-21444

#### **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on August 20, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

#### FINDINGS OF FACT

- 1. Titus Oil & Gas Production, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

#### **CONCLUSIONS OF LAW**

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC. Exhibit 2-B

Titus Oil & Gas Production LLC NMOCD Nos. 22022 & 22023
July 1, 2021

- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

#### <u>ORDER</u>

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall

CASE NO. 21253 ORDER NO. R-21444

Page 2 of 7

render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/tgw

Date: 9/03/2020

### Exhibit "A"

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS		
Case: 21253	APPLICANT'S RESPONSE	
Date	August 20, 2020	
Applicant	Titus Oil & Gas Production, LLC	
Designated Operator & OGRID (affiliation if applicable)	373986	
Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon Shaheen & John McIntyre)	
Case Title:	Application of Titus Oil & Gas Production, LLC for Compulsor Pooling, Lea County, New Mexico	
Entries of Appearance/Intervenors:	None	
Well Family	El Campeon Wells	
Formation/Pool		
Formation Name(s) or Vertical Extent:	Wolfcamp Formation	
Primary Product (Oil or Gas):	Oil	
Paoling 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:	240 acres, more or less	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	240 acres, more or less	
Building Blocks:	Quarter-quarter section (40 ac)	
Orientation:	North-South	
Description: TRS/County	E2W2 of Section 29 and E2NW4 of irregular Section 32, 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	Na	
Proximity Tracts: If yes, description	No	
Proximity Defining Well: if yes, description	No	
Applicant's Ownership in Each Tract	Tract 1, part a (100%); Tract 1, part b (100%); Tract 2 (25%); Tract 3 (100%); see Ex. A-2	
Well(s)		
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)		

Well #1	El Campeon Fed Com 432H, API No. 30-025-Pending
	SHL: 579' FSL and 2137' FWL, Section 20-T265-R35E, NMPM BHL: 10' FSL and 2308' FWL, Section 32-T265-R35E, NMPM
	Completion Target: Wolfcamp A at approx 12,760 Feet TVD Well Orientation: North to South Completion location expected to be standard
Well #2	El Campeon Fed Com 512H, API No. 30-025-Pending
	SHL: 579' FSL and 2107' FWL, Section 20-T26S-R35E, NMPM BHL: 10' FSL and 1850' FWL, Section 32-T26S-R35E, NMPM
	Completion Target: Wolfcamp B at approx. 13,050 Feet TVD Well Orientation: North to South Completion location expected to be standard
Horizontal Well First and Last Take Points	
Well #1	432H: FTP (~100' FNL and 2310' FWL of Section 29-T26S-R35E); LTP (~100' FSL and 2308' FWL of Section 32-T26S-R35E)
Well #2	512H: FTP (~100' FNL and 1850' FWL of Section 29-T26S-R35E); LTP (~100' FSL and 1850' FWL of Section 32-T26S-R35E)
Completion Target (Formation, TVD and MD)	
Well #1	432H: Wolfcamp A - TVD (~12,760'), MD (~20,680')
Well #2	512H: Wolfcamp B - TVD (~13,050'), MD (~20,970')
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000; see Exhibit A, ¶ 19
Production Supervision/Month \$	\$800; see Exhibit A, ¶ 19
Justification for Supervision Costs	Please see AFE at Exhibit A-7
Requested Risk Charge	200%; see Exhibit A, ¶ 20
Notice of Hearing	
Proposed Notice of Hearing	Submitted with online filing of Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C; see Exhibit A-8
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	See Exhibits A-2, A-3, & A-4
Tract List (including lease numbers and owners)	Exhibits A-2, A-3, & A-4
Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled Ownership Depth Severance (including percentage above & below)	none
Joinder	
Sample Copy of Proposal Letter	Exhibit A-7

List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates in Proposal Letter	n/a
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7
Cost Estimate to Equip Well	See AFE at Exhibit A-7
Cost Estimate for Production Facilities	See AFE at Exhibit A-7
Geology	
Summary (including special considerations)	Exhibit 8-1
Spacing Unit Schematic	Exhibit B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-7
Well Orientation (with rationale)	Exhibit B-1
Target Formation	Exhibits B-5 & B-6
HSU Cross Section	Exhibit 8-6
Depth Severance Discussion	n/a; see Exhibit A, ¶ 12
Forms, Figures and Tables	
C-102	Exhibit A-6
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-2, A-3, & A-4
General Location Map (including basin)	Exhibit A-1
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone) Additional Information	Exhibit 8-6
CERTIFICATION: I hereby certify that the information pro	vided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
Signed Name (Attorney or Party Representative):	Man 7 Stram
Date:	8/18/2020

**SHARON T. SHAHEEN** 

Direct: (505) 986-2678

Email: <u>sshaheen@montand.com</u>

www.montand.com

June 11, 2021

Via U.S. Certified Mail, return receipt requested

#### TO: ALL INTEREST OWNERS ON ATTACHED LIST

**Re:** Case No. **22022 -** Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21443, Lea County, New Mexico

Case No. **22023** – Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21444, Lea County, New Mexico

#### Dear Interest Owner:

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

Case No. 22022. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21443, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21252 for the limited purpose of amending Order No. R-21443 to extend by one year, through September 3, 2022, the time to commence drilling the El Campeon Fed Com 322H well (API# 30-025-48136), proposed to be drilled into the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying the E/2 W/2 of Section 29, Township 26 South, Range 35 East, and the E/2 NW/4 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. The well and lands are located approximately 14 miles southwest of Jal, New Mexico.

Case No. 22023. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21444, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21253 for the limited purpose of amending Order No. R-21444 to extend by one year, through September 3, 2022, the time to commence drilling the (1) El Campeon Fed Com 432H well (API #30-025-47394) and (2) El Campeon Fed Com 512H well (API #30-025-48138), proposed to be drilled into the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying the

Exhibit 3
Titus Oil & Gas Production LLC
NMOCD Nos. 22022 & 22023
July 1, 2021

All Interest Owners June 11, 2021 Page 2

E/2 W/2 of Section 29, Township 26 South, Range 35 East, and the E/2 NW/4 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. The wells and lands are located approximately 14 miles southwest of Jal, New Mexico.

The attached applications will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on **July 1**, **2021** beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <a href="http://www.emnrd.state.nm.us/OCD/hearings.html">http://www.emnrd.state.nm.us/OCD/hearings.html</a>. 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 these applications at a later time. If you intend to present testimony or evidence at the hearing, you must enter your appearance by **June 23, 2021**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **June 24, 2021**, in accordance with Division Rule 19.15.4.13 NMAC.

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

Very truly yours,

/s/ Sharon T. Shaheen Sharon T. Shaheen

STS/lt Enclosure

cc: Titus Oil & Gas Production, LLC, via email

#### **EXHIBIT A**

#### **INTEREST OWNERS**

#### **Working Interest Owners:**

Marathon Oil Co. 5555 San Felipe Street Houston, TX 77056-2723

#### **Overriding Royalty Interest Owners:**

C. Mark Wheeler and wife, J'Lynn Wheeler 719 W. Kansas Avenue Midland, TX 79701

Paul R. Barwis c/o Dutton, Harris & Co. P.O. Box 230 Midland, TX 79702

Sandra Mary Borden 8530 Mill Run Road Athens, TX 75751

#### **Unleased Mineral Owners:**

WilderPan, LLC P.O. Box 50088 Midland, TX 79710

Fortis Minerals 1111 Bagby Street Suite 2150 Houston, TX 77002

Thomas K. and Grace G. McGinley 1968 Revocable Trust B, Bank of America, N.A., Trustee P.O. Box 830308 Dallas, TX 75283 Penwell Employee Royalty Pool 310 W. Wall Street – Suite 1001 Midland, TX 79701

Jareed Partners, Ltd. P.O. Box 51451 Midland, TX 79710

John Kyle Thoma, Trustee P.O. Box 558 Peyton, CO 80831

CrownRock Minerals, LP P.O. Box 53310 Midland, TX 79710

Margaret Anne Miller Carrico c/o Plains Capital Bank 2705 Bee Caves Road – Suite 120 Austin, TX 78746

Russell H. Wickman, et ux, Mary Kathryn Wickman 2505 Princeton Midland, TX 79701 Harry A. Miller III, individually and as independent Executor of the Estate of Harry A. Miller, Jr. 1402 Foxwood Cove Austin, TX 78704

### **Additional Party(ies):**

Bureau of Land Management 620 E. Greene Street Carlsbad, NM 88220-6292

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

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21443, LEA COUNTY, NEW MEXICO

Case No. 22022 Order No. R-21443 (Re-Open)

#### **APPLICATION**

Titus Oil & Gas Production, LLC, OGRID No. 373986 ("Titus"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and Ricardo S. Gonzales), hereby files this application with the Oil Conservation Division to amend Order No. R-21443 entered in Case No. 21252 to extend the time for drilling the **El Campeon Fed Com 322H** (API No. 30-025-48136) ("El Campeon 322H Well") approved in Order No. R-21443. In support of its application, Titus states as follows:

- 1. Order No. R-21443 pooled uncommitted interest owners in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 W/2 of Section 29, Township 26 South, Range 35 East, and the E/2 NW/4 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the El Campeon 322H Well. Section 32 is an irregular section in which the south line of the E/2 NW/4 is the New Mexico-Texas border.
  - 2. Titus is a working interest owner in the HSU and has the right to drill thereon.

<sup>&</sup>lt;sup>1</sup>Order No. R-21443 entered in Case No. 21252 is one of two orders entered on September 3, 2020, relating to Titus's "El Campeon" well group. By separate application, Titus is seeking to amend Order No. 21444 entered in Case No. 21253.

- 3. Order No. R-21443 designated Titus as the operator of the El Campeon 322H Well and the HSU.
- 4. Titus requests the Division re-open the matter to extend the time to commence drilling the Campeon 322H Well to be no later than September 3, 2022, which will be a one-year extension from the time to commence drilling granted in Order No. R-21443.
- 5. The Division Hearing in the original proceeding, Case No. 21252, was held on August 20, 2020, in conjunction with one other Titus case, Case No. 21253.
- 6. The Division entered Order No. R-21443 in Case No. 21252 on September 3, 2020.
- 7. Order No. R-21443, ¶ 19, states, "The Operator shall commence drilling the Well(s) within one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well." Order No. R-21443, ¶ 20, states, "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown."
- 8. Under Order No. R-21443, Titus would be required to commence drilling the wells by September 3, 2021.
  - 9. Good cause exists for the Division to grant the extension.
- 10. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to COVID-19 and current market conditions. In addition, the executive order entered by the federal administration in January 2021 impacted the timing of federal permitting, right-of-way, and sundries among other federal approvals needed prior to drilling.
- 11. Titus's operations and drilling activity have been impacted by COVID-19, oil and gas market conditions, and delays in federal permitting.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 1, 2021, and that, after notice and hearing as required by law, the Division enter an order amending Order No. R-21443 to extend the time to commence drilling the El Campeon 322H Well to be no later than September 3, 2022.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen
Ricardo S. Gonzales
Post Office Box 2307
Santa Fe, NM 87504-2307
(505) 986-2678
sshaheen@montand.com
rgonzales@montand.com

Attorneys for Titus Oil & Gas Production, LLC

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21444, LEA COUNTY, NEW MEXICO

Case No. <u>22023</u> Order No. R-21444 (Re-Open)

#### **APPLICATION**

Titus Oil & Gas Production, LLC, OGRID No. 373986 ("Titus"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen), hereby files this application with the Oil Conservation Division to amend Order No. R-21444 entered in Case No. 21253 to extend the time for drilling the (1) **El Campeon Fed Com 432H** (API No. 30-025-47394) ("El Campeon 432H Well"), and; (2) **El Campeon Fed Com 512H** (API No. 30-025-48138) ("El Campeon 512H Well") approved in Order No. R-21444. In support of its application, Titus states as follows:

- 1. Order No. R-21444 pooled uncommitted interest owners in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 W/2 of Section 29, Township 26 South, Range 35 East, and the E/2 NW/4 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the El Campeon 432H Well and the El Campeon 512H Well. Section 32 is an irregular section in which the south line of the E/2 NW/4 is the New Mexico-Texas border.
  - 2. Titus is a working interest owner in the HSU and has the right to drill thereon.

<sup>&</sup>lt;sup>1</sup> Order No. R-21444 entered in Case No. 21253 is one of two orders entered September 3, 2022, relating to Titus's "El Campeon" well group. By separate application, Titus is seeking to amend Order No. R-21443 entered in Case No. 21252.

- 3. Order No. R-21444 designated Titus as the operator of the El Campeon 432H and 512H Wells and the HSU.
- 4. Titus requests the Division re-open the matter to extend the time to commence drilling the El Campeon 432H and 512H Wells to be no later than September 3, 2022, which will be a one-year extension from the time to commence drilling granted in Order No. R-21444.
- 5. The Division Hearing in the original proceeding, Case No. 21253, was held on August 20, 2020, in conjunction with one other Titus case, Case No. 21252.
- 6. The Division entered Order No. R-21444 in Case No. 21253 on September 3, 2020.
- 7. Order No. R-21444, ¶ 19, states, "The Operator shall commence drilling the Well(s) within one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well." Order No. R-21444, ¶ 20, states, "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown."
- 8. Under Order No. R-21444, Titus would be required to commence drilling the wells by September 3, 2021.
  - 9. Good cause exists for the Division to grant the extension.
- 10. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to COVID-19 and current market conditions. In addition, the executive order entered by the federal administration in January 2021 impacted the timing of federal permitting, right-of-way, and sundries among other federal approvals needed prior to drilling.
- 11. Titus's operations and drilling activity have been impacted by COVID-19, oil and gas market conditions, and delays in federal permitting.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 1, 2021, and that, after notice and hearing as required by law, the Division enter an order amending Order No. R-21444 to extend the time to commence drilling the El Campeon 432H Well and the El Campeon 512H Well to be no later than September 3, 2022.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen Ricardo S. Gonzales Post Office Box 2307 Santa Fe, NM 87504-2307 (505) 986-2678 sshaheen@montand.com

rgonzales@montand.com

Attorneys for Titus Oil & Gas Production, LLC

# TAB 2

## STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC, TO AMEND ORDER NO. R-21443, LEA COUNTY, NEW MEXICO

Case No. 22022 Order No. R-21443 (Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC, TO AMEND ORDER NO. R-21444, LEA COUNTY, NEW MEXICO

Case No. 22023 Order No. R-21444 (Re-Open)

### **AFFIDAVIT OF NOTICE**

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

- I, Sharon T. Shaheen, attorney for TITUS OIL & GAS PRODUCTION, LLC ("Titus"), Applicant in the above-captioned matters, being first duly sworn, upon oath state the following:
- 1. I caused notice of the applications to be sent by certified mail through the United States Postal Service ("USPS") on June 11, 2021, to all uncommitted interest owners sought to be pooled in these proceedings. Evidence of mailing to all parties and of proofs of receipt is attached hereto as Exhibit A.
  - 2. Notice that was mailed to the following parties was returned as undeliverable:
    - a. Penwell Employee Royalty Pool
    - b. C. Mark Wheeler and wife, J'Lynn Wheeler
- 3. Although not returned as undeliverable, notice to the following parties apparently has not been received:
  - a. Marathon Oil Co.
  - b. Sandra Mary Borden
  - c. Thomas K. and Grace G. McGinley

Exhibit B
Titus Oil & Gas Production LLC
NMOCD Nos. 22022 & 22023
July 1, 2021

- 4. In an abundance of caution, however, notice was directed by publication in the Hobbs News-Sun on June 16, 2021, to all owners to whom notice was mailed, which is reflected in the Affidavit of Publication attached hereto as Exhibit B. Exhibit B demonstrates to my satisfaction that those owners who did not receive personal notice through the certified mailing were properly served by publication.
- 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

Sharon of Shakeen

SUBSCRIBED AND SWORN to before me this 29th day of June, 2021.

Notary Public

My Commission Expires:

August 13, 2023



and 710449 in this have

9590 9402 1258 5246 3536 51

• Ser

7015 1730 0000 9774 5343

PS Form 3811, July 2015 PSN 7530-02-000-9053

United States Postal Service



Domestic Return Receipt

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

Titus/El Campeon Re-Open - (22022-22023) - Notice Letter/STS - 15412-2001

	The state of the s
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.  1. Article Addressed to: Margaret Anne Miller Carrico c/o Plains Capital Bank 2705 Bee Caves Road – Suite 120 Austin, TX 78746	B. Received by (Printed Name)  C. Date of Delivery  D. Is delivery address different from item 1?  Yes  If YES, enter delivery address below:
9590 9402 1258 5246 3538 04  2. Article Number ( <i>Transfer from service label</i> )  7015 1730 0000 9774 534	3. Service Type  Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified

TH HE	U.S. Postal Service  CERTIFIED MAIL  Domestic Mail Only  For delivery information, visit of	RECEIPT
CERTIFIED MAIL	Certified Mall Fee    Extra Services & Fees (check box, add fee as a least of the feet of	Postmark Here  Will  Carrico  nk  I — Suite 120





Domestic Return Receipt

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9590 9402 1258 5246 3536 51

PS Form 3811, July 2015 PSN 7530-02-000-9053

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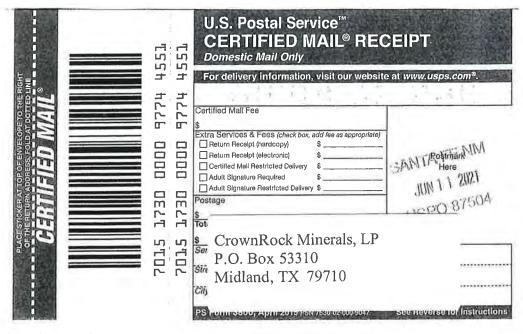
United States Postal Service

MONTGOMERY & ANDREWS LAW FIRM

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

Titus/El Campeon Re-Open - (22022-22023) - Notice Letter/STS - 15412-2001

#### COMPLETE THIS SECTION ON DELIVERY **SENDER: COMPLETE THIS SECTION** Complete items 1, 2, and 3. □ Agent Print your name and address on the reverse ☐ Addressee so that we can return the card to you. C. Date of Delivery Attach this card to the back of the mailpiece. or on the front if space permits. 1. Article Addressed to: Yes D. Is delivery address different from tem 1? If YES, enter delivery address below: CrownRock Minerals, LP P.O. Box 53310 Midland, TX 79710 Service Type ☐ Priority Mail Express® ☐ Registered Mail™ ☐ Adult Signature □ Registered Mail Restricted Delivery □ Return Receipt for Merchandise □ Signature Confirmation™ □ Adult Signature Restricted Delivery El Certified Mail Restricted Delivery 9590 9402 1258 5246 3537 81 ☐ Collect on Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery 2. Article Number (Transfer from service label) Signature Confirmation Il Restricted Delivery Restricted Delivery 7015 1730 0000 9774





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Domestic Return Receipt

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United States Postal Service



Santa Fe, New Mexico 87504-2307

Titus/El Campeon Re-Open
- (22022-22023) - Notice
Letter/STS - 15412-2001

THE THE SECTION ON DELIVERY
COMPLETE THIS SECTION ON DELIVERY
A. Signature  X. U.C. Agent  Addressee  B. Received by (Frinted Name)  C. Date of Delivery
D. Is delivery address different from Item 1?  Yes If YES, enter delivery address below:  No
3. Service Type  □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Insurad Mail □ Registered Mail Restricted Delivery □ Collect on Delivery Restricted Delivery □ Insurad Mail □ Signature Confirmation Mestricted Delivery □ Restricted Delivery □ Restricted Delivery

**U.S. Postal Service**™ **CERTIFIED MAIL® RECEIPT** 6029 6029 Domestic Mail Only For delivery information, visit our website at www.usps.com®. ትረረЬ Certified Mail Fee ANTA FENN USPO 8750A Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) 0000 0000 Return Receipt (electronic) Certified Mall Restricted Delivery Adult Signature Required Adult Signature Restricted Del 1730 1730 Postage State Land Office 7015 310 Old Santa Fe Trail Santa Fe, NM 87501

PS Form 3811, July 2015 PSN 7530-02-000-9053





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**United States Postal Service** 



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

Titus/El Campeon Re-Open - (22022-22023) - Notice Letter/STS - 15412-2001

### SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.
- 1. Article Addressed to:

Fortis Minerals

1111 Bagby Street

**Suite 2150** 

Houston, TX 77002



9590 9402 1258 5246 3537 98

Article Number (Transfer from service label) 7015 1730 0000 9774 4544

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

☐ Agent ☐ Addressee

C. Date of Delivery

address different from item 1? If YES, enter delivery address below:

☐ Yes

Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery ☐ Certified Mail®
- Certified Mail Restricted Delivery
- ☐ Collect on Delivery
  ☐ Collect on Delivery Restricted Delivery
- sured Mail sured Mail Restricted Delivery
- ☐ Priority Mail Express®☐ Registered Mail™
  ☐ Registered Mail Restricted Delivery
  ☐ Return Receipt for Merchandise
  ☐ Signature Confirmation™
  ☐ Signature Confirmation
  ☐ Perificial Delivery

- Restricted Delivery

Domestic:Return Receipt

### U.S. Postal Service™ CERTIFIED MAIL® RECEIPT 544 54 Domestic Mail Only For delivery information, visit our website at www.usps.com®. # \_ 1778 Certified Mail Fee xtra Services & Fees (check box, add fee as appropria 0000 Return Receipt (hardcopy) Return Receipt (electronic) Certified Mall Restricted Delivery Adult Signature Required Adult Signature Restricted Delivery \$ 1730 田田 Fortis Minerals 7015 7015 1111 Bagby Street **Suite 2150** Houston, TX 77002 Released to Imaging: 6/29/2021 4:59:33 PM



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**United States** Postal Service



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

Titus/El Campeon Re-Open - (22022-22023) - Notice Letter/STS - 15412-2001

### SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.
- 1. Article Addressed to:

Harry A. Miller III, individually and as independent Executor of the Estate of

Harry A. Miller, Jr. 1402 Foxwood Cove Austin, TX 78704

Estate Closed



9590 9402 1258 5246 3538 35

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4568

COMPLETE THIS SECTION ON DELIVERY

☐ Agent ☐ Addressee

DREY A Miller

Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below:

☐ Yes

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
  ☐ Certified Mall®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
  ☐ Collect on Delivery Restricted Delivery

ail Restricted Delivery

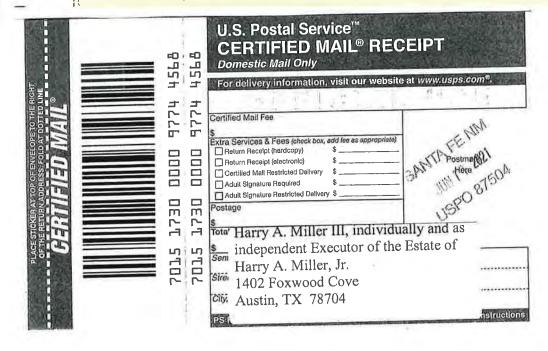
- ☐ Registered Mall Restricted
  Delivery ☐ Return Receipt for Merchandise
  ☐ Signature Confirmation™

☐ Priority Mall Express® ☐ Registered Mail™

Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt







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9590 9402 1258 5246 3536 51

PS Form 3811, July 2015 PSN 7530-02-000-9053

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MONTGOMERY & ANDREWS LAW FIRM

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

Titus/El Campeon Re-Open
- (22022-22023) - Notice
Letter/STS - 15412-2001

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>1. Article Addressed to: Russell H. Wickman, et ux, Mary Kathryn Wickman</li> <li>2505 Princeton</li> <li>Midland, TX 79701</li> </ul>	A. Signature  X  B. Received by (Printed Name)  D. Is delivery address different from If YES, enter delivery address in the second seco	
9590 9402 1258 5246 3538 28  2. Article Number (Transfer from service label) 7015 1730 0000 9774 5879	3. Service Type  Adult Signature  Adult Signature Restricted Delivery  Certified Mail®  Certified Mail Restricted Delivery  Collect on Delivery  Collect on Delivery Restricted Delivery  Mail Restricted Delivery	□ Priority Mall Express® □ Registered Mall™ □ Registered Mall Restricte Delivery □ Return Receipt for Merchandise □ Signature Confirmation □ Signature Confirmation Restricted Delivery







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**United States** Postal Service

MONTGOMERY & ANDREWS LAW FIRM

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

Titus/El Campeon Re-Open - (22022-22023) - Notice Letter/STS - 15412-2001

### SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.
- 1. Article Addressed to:

Jareed Partners, Ltd. P.O. Box 51451 Midland, TX 79710



2. Article Number (Transfer from service label)

PS Form 3811, July 2015 PSN 7530-02-000-9053

7015 1730 0000 9774 4506

COMPLETE THIS SECTION ON DELIVERY

- ☐ Agent ☐ Addressee
- B. Received by (Printed Name) Cabo
- C. Date of Delivery
- D. Is delivery address different from item 1? If YES, enter delivery address below:

- 3. Service Type
- ☐ Adult Signature
- Adult Signature Restricted Delivery
- Certified Mall®
  Certified Mail Restricted Delivery
- ☐ Collect on Delivery
  ☐ Collect on Delivery Restricted Delivery
  - Mail Restricted Delivery
- ☐ Priority Mail Express®
  ☐ Registered Mail™
  ☐ Registered Mail Restricted Delivery Return Receipt for Merchandise
- ☐ Signature Confirmation™
  ☐ Signature Confirmation
- Restricted Delivery

**Domestic Return Receipt** 

### U.S. Postal Service™ CERTIFIED MAIL® RECEIPT 506 506 Domestic Mail Only \_ # For delivery information, visit our website at www.usps.com®. 무구기 **9774** Certified Mail Fee Extra Services & Fees (check box, add fee as appropriate) 0000 0000 Return Receipt (hardcopy) Return Receipt (electronic) Certified Mail Restricted Delivery Adult Signature Required 1730 Adult Signature Restricted Delivery \$ 1730 Postage Jareed Partners, Ltd. P.O. Box 51451 Midland, TX 79710 for Instructions



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**United States Postal Service** 



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

Titus/El Campeon Re-Open - (22022-22023) - Notice Letter/STS - 15412-2001

### SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.
- 1. Article Addressed to:

Paul R. Barwis c/o Dutton, Harris & Co. P.O. Box 230 Midland, TX 79702



9590 9402 1258 5246 3536 82

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4490

COMPLETE THIS SECTION ON DELIVERY

e of Delivery

- D. Is delivery address different from item 1? If YES, enter delivery address below:
- ☐ Yes

Agent

Addressee

- 3. Service Type ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
  ☐ Certified Mail®
- ☐ Certifled Mail Restricted Delivery
- ☐ Collect on Delivery
  ☐ Collect on Delivery Restricted Delivery
- estricted Delivery
- ☐ Priority Mail Express® ☐ Registered Mail
- ☐ Registered Mail Restricted
  Delivery
- ☐ Return Receipt for Merchandise ☐ Signature Confirmation™
- ☐ Signature Confirmation

Restricted Delivery

**Domestic Return Receipt** 

for Instructions

PS Form 3811, July 2015 PSN 7530-02-000-9053

U.S. Postal Service™ **CERTIFIED MAIL® RECEIPT** 0644 8 Domestic Mail Only 444 For delivery information, visit our website at www.usps.com® **4226** 1778 Certified Mall Fee 0000 0000 Return Receipt (electronic) Certified Mali Restricted Delivery Adult Signature Required Adult Signature Restricted Delivery \$ 1,730 묘 Postage Paul R. Barwis c/o Dutton, Harris & Co. P.O. Box 230 Midland, TX 79702





Domestic Return Receipt

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9590 9402 1258 5246 3536 51

PS Form 3811, July 2015 PSN 7530-02-000-9053

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MONTGOMERY & ANDREWS LAW FIRM

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

Titus/El Campeon Re-Open
- (22022-22023) - Notice
Letter/STS - 15412-2001

SENDER: COMPLETE THIS SECTION	COMPLET'S THIS SECTION ON DELIVERY		
Complete items 1, 2, and 3.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.  Article Addressed to:	A. Signature  X  Agent  Addressee  B. Received by Ponted Name)  C. Date of Delivery  D. Is delivery address different from item 17 17 765		
Bureau of Land Management 620 E. Greene Street Carlsbad, NM 88220-6292	If YES enter delivery address below:		
9590 9402 1258 5246 3538 42  2. Article Number (Transfer from service label)	3. Service Type  Adult Signature  Adult Signature Restricted Delivery  Certified Mail®  Certified Mail®  Collect on Delivery  Collect on Delivery Restricted Delivery		
	☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation™		





Domestic Return Receipt

9590 9402 1258 5246 3536 51

PS Form 3811, July 2015 PSN 7530-02-000-9053

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United States Postal Service



Titus/El Campeon Re-Open – (22022-22023) – Notice Letter/STS – 15412-2001

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON D	DELIVERY
<ul> <li>Complete Items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailplece, or on the front if space permits.</li> </ul>	A. Signature  X  B. Received by (Printed Name)	☐ Agent ☐ Addressee C. Date of Delivery
WilderPan, LLC P.O. Box 50088 Midland, TX 79710	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No	
9590 9402 1258 5246 3537 74  2. Article Number (Transfer from service label)  7015 1730 0000 9774	□ Adult Signature     □ Adult Signature Restricted Delivery     □ Certified Mail®     □ Certified Mail Restricted Delivery     □ Collect on Delivery     □ Collect on Delivery	☐ Priority Mail Express® ☐ Registered Mail TM ☐ Registered Mail Restricter Delivery ☐ Return Receipt for Merchandise ☐ Signature Confirmation ☐ Signature Confirmation Restricted Delivery







Domestic Return Receipt

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9590 9402 1258 5246 3536 51

PS Form 3811, July 2015 PSN 7530-02-000-9053

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MONTGOMERY & ANDREWS LAW FIRM

Santa Fe, New Mexico 87504-2307

Titus/El Campeon Re-Open - (22022-22023) - Notice Letter/STS - 15412-2001

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece,</li> </ul>	A. Signature  X  B. Received by (Printed Name)	☐ Agent ☐ Addressee C. Date of Delivery	
or on the front if space permits.  1. Article Addressed to:  John Kyle Thoma, Trustee P.O. Box 558	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No		
Peyton, CO 80831  9590 9402 1258 5246 3537 67  2. Article Number (Transfer from service Jabel)	3. Service Type  Adult Signature  Adult Signature Restricted Delivery  Certified Mail®  Certified Mail®  Collect on Delivery  Collect on Delivery  Adult Signature Restricted Delivery  Collect on Delivery Restricted Delivery	☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Return Receipt for Merchandise ☐ Signature Confirmation™ ☐ Signature Confirmation	

PURNADDRESS FOLDAT OOTED UNE	730 0000 9774 4520	Domestic Mail Only  For delivery information, visit our website  Certified Mail Fee  \$ Extra Services & Fees (check box, add tee as appropriate)    Return Receipt (hardcopy) \$   Return Receipt (electrontc) \$   Certified Mail Restricted Delivery \$   Adult Signature Required \$   Adult Signature Restricted Delivery \$	
PLACE STICK	7.1.5.1.07 -7.1.5.1.05	\$ To	-
		Peyton, CO 80831	y Instructions

CERTIFIED RETURN RECEIPTS NOT RECEIVED BACK

USPS TRACKING # Received by OCD: 6/29/2021 4:50:45 PM



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

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**United States Postal Service** 



Santa Fe, New Mexico 87504-2307

Titus/El Campeon Re-Open - (22022-22023) - Notice Letter/STS - 15412-2001

SENDE	B. COM	DIETET	'HIC CE	TION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailplece, or on the front if space permits.
- 1. Article Addressed to:

Thomas K. and Grace G. McGinley 1968 Revocable Trust B, Bank of America, N.A., Trustee P.O. Box 830308 Dallas, TX 75283



9590 9402 1258 5246 3538 11

PS Form 3811, July 2015 PSN 7530-02-000-9053

2. Article Number (Transfer from service label)

7015 1730 0000 9774 5770

☐ Insured Mall viail Restricted Delivery

Service Type

A. Signature

X

☐ Priority Mail Express® ☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mall®

COMPLETE THIS SECTION ON DELIVERY

D. Is delivery address different from item 1?

If YES, enter delivery address below:

☐ Certified Mall Restricted Delivery ☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery

B. Received by (Printed Name)

Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

Agent

C. Date of Delivery

☐ Yes

Addressee

### U.S. Postal Service™ CERTIFIED MAIL® RECEIPT 5770 5770 Domestic Mail Only 4774 Certified Mall Fee Extra Services & Fees (check box, add fee as appropriate, Return Receipt (hardcopy) 0000 0000 Return Receipt (electronic) Certifled Mail Restricted Delivery Adult Signature Required Adult Signature Restricted Delivery \$ ЭB 品 Thomas K. and Grace G. McGinley 1968 Revocable Trust B, Bank of America, N.A., Trustee P.O. Box 830308 Dallas, TX 75283 Released to Imaging: 6/29/2021 4:59:33 PM





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**United States Postal Service** 



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

Titus/El Campeon Re-Open - (22022-22023) - Notice Letter/STS - 15412-2001

SENDER:	COMPLETE T	HIS SECTION
OLIVELII.	WOME LLIE I	ババン ひにし バリバ

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.
- 1. Article Addressed to:

Marathon Oil Co. 5555 San Felipe Street Houston, TX 77056-2723



2. Article Number (Transfer from service label)

7015 1730 0000 9774 4575

COMPLETE THIS SECTION ON DELIVERY

A. Signature

B. Received by (Printed Name)

☐ Addressee C. Date of Delivery

□ Agent

D. Is delivery address different from Item 1? If YES, enter delivery address below:

☐ No

3. Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery La Certifled Mall®

Certified Mail Restricted Delivery
 Collect on Delivery
 Collect on Delivery Restricted Delivery

Il Restricted Delivery

☐ Priority Mail Express® ☐ Registered Mail™ 

Registered Mail Restricted Delivery Return Receipt for Merchandise

☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

PS Form 3811, July 2015 PSN 7530-02-000-9053







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**United States Postal Service** 



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

A. Signature

X

Titus/El Campeon Re-Open - (22022-22023) - Notice Letter/STS - 15412-2001

### SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailplece, or on the front if space permits.
- 1. Article Addressed to:

Sandra Mary Borden 8530 Mill Run Road Athens, TX 75751



2. Article Number (Transfer from service label)

7015 1730 0000 9774 4513 B. Received by (Printed Name)

D. Is delivery address different from Item 1? If YES, enter delivery address below:

COMPLETE THIS SECTION ON DELIVERY

- 3. Service Type
- ☐ Adult Signature
  ☐ Adult Signature Restricted Delivery
  ☐ Certified Mail®
- ☐ Certified Mall Restricted Delivery
  ☐ Collect on Delivery
  ☐ Collect on Delivery Restricted Delivery
  - red Mall Restricted Delivery

☐ Priority Mall Express® □ Registered Mail™
 □ Registered Mail™
 □ Registered Mail Restricted Delivery
 □ Return Receipt for Merchandise
 □ Signature Confirmation™

☐ Agent

C. Date of Delivery

☐ Addressee

- Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt



**CERTIFIED ENVELOPE RETURNED** 





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**United States Postal Service** 



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

Titus/El Campeon Re-Open - (22022-22023) - Notice Letter/STS - 15412-2001

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SEMPER	COMPLETE THIS	SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.
- 1. Article Addressed to:

Penwell Employee Royalty Pool 310 W. Wall Street - Suite 1001 Midland, TX 79701



9590 9402 1258 5246 3536 75

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4483

PS Form 3811, July 2015 PSN 7530-02-000-9053

### COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

□ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below:

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Serv	rice	Tv	De

- ☐ Adult Signature
  ☐ Adult Signature Restricted Delivery
- ☐ Certified Mall® Certified Mall Restricted Delivery
- Collect on Delivery
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d Mall Restricted Delivery \$500)

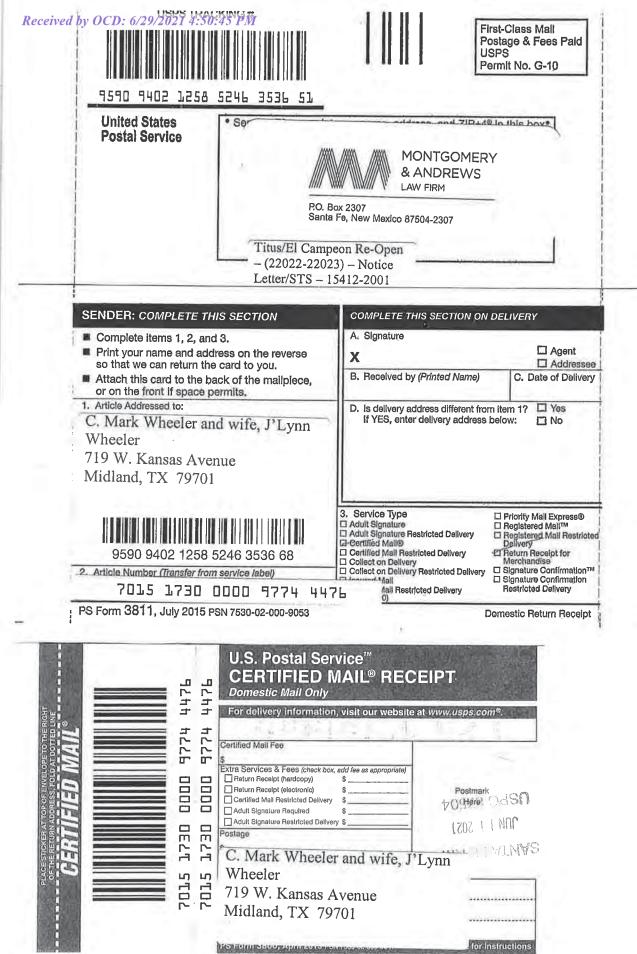
Restricted Delivery Domestic Return Receipt

☐ Priority Mall Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery.☐ Return Receipt for Merchandise☐ Signature Confirmation™☐

Signature Confirmation

### U.S. Postal Service™ CERTIFIED MAIL® RECEIPT mm 448 448 Domestic Mail Only For delivery information, visit our website at www.usps.com®. 무구구 Certified Mail Fee Extra Services & Fees (check box, add fee as approp 0000 Return Receipt (hardcopy) Return Receipt (electronic) Certified Mall Restricted Delivery Adult Signature Required Adult Signature Restricted Delivery 1730 1730 Penwell Employee Royalty Pool 310 W. Wall Street - Suite 1001 Midland, TX 79701 PS Form 3800, April 2016 PSN 7530-02 000 9047 See Reverse for Instructions





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Tracking

**FAQs** 

Remove

### Track Another Package +



Get the free Informed Delivery® feature to receive automated notifications on your packages

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### **Tracking Number:** 70151730000097744537

Your item was picked up at a postal facility at 10:36 am on June 16, 2021 in MIDLAND, TX 79705.

### Status

## Delivered, Individual Picked Up at Postal Facility

June 16, 2021 at 10:36 am MIDLAND, TX 79705

### Get Updates

Text & Email Updates

Tracking History

Product Information

### See Less

Tracking Number: 70151730000097745770

Remove =

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

### **Status**

### **In Transit to Next Facility**

June 18, 2021

### Get Updates

In-Transit

See More

Remove 🕾

**Tracking Number:** 70151730000097744575

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

### **Status**

### **In Transit to Next Facility**

June 15, 2021

### Get Updates

USPS.com® - USPS Tracking® Results

### In-Transit

See More

**Tracking Number:** 70151730000097744476

Remove ::

Your item was returned to the sender on June 24, 2021 at 12:26 pm in MIDLAND, TX 79702 because the addressee moved and left no forwarding address.

### **Status**

### Moved, Left no Address

June 24, 2021 at 12:26 pm MIDLAND, TX 79702

### **Get Updates**

5

**Alert** 

See More

**Tracking Number:** 70151730000097744513

Remove :

This is a reminder to arrange for redelivery of your item or your item will be returned to sender.

### **Status**

Reminder to Schedule
Redelivery of your item

USPS.com® - USPS Tracking® Results

Get Updates =

**Delivery Attempt** 

See More

**Tracking Number:** 70151730000097744520

Remove

Your item was delivered at 10:41 am on June 26, 2021 in PEYTON, CO 80831.

Status



June 26, 2021 at 10:41 am PEYTON, CO 80831

Get Updates

**Delivered** 

See More

### Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

**FAQs** 



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**LEGAL INFORMATION** 

### **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 June 16, 2021 and ending with the issue dated June 16, 2021.

Publisher

Sworn and subscribed to before me this 16th day of June 2021.

Business Manager

My commission expires

January 20, 2023 OFFICIAL SEAL

(Seal)

GUSSIE BLACK

Notary Public State of New Mexico My Commission Expires -29-2

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

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LEGAL NOTICE June 16, 2021

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

Marathon Oil Co.; C. Mark Wheeler and wife, J'Lynn Wheeler; Penwell Employee Royalty Pool; Paul R. Barwis, c/o Dutton, Harris & Co.; Jareed Partners, Ltd.; Sandra Mary Borden; John Kyle Thoma, Trustee; WilderPan, LLC; CrownRock Minerals, LP; Fortis Minerals; Margaret Anne Miller Carrico, c/o Plains Capital Bank; Thomas K. and Grace G. McGinley; Russell H. Wickman, et ux, Mary Kathryn Wickman; Harry A. Miller III, individually and as independent Executor of the Estate of Harry A. Miller, Jr.; Bureau of Land Management; State Land Office.

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

Case No. 22022. Application of Titus OII & Gas Production, LLC to Amend Order No. R-21443, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21252 for the limited purpose of amending Order No. R-21443 to extend by one year, through September 3, 2022, the time to commence drilling the El Campeon Fed Com 322H well (API# 30-025-48136), proposed to be drilled into the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [98672]) underlying the E/2 W/2 of Section 29, Township 26 South, Range 35 East, and the E/2 NW/4 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. The well and lands are located approximately 14 miles southwest of Jal, New Mexico.

Case No. 22023. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21444, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21253 for the limited purpose of amending Order No. R-21444 to extend by one year, through September 3, 2022, the time to commence drilling the (1) El Campeon Fed Com 432H well (API #30-025-47394) and (2) El Campeon Fed Com 512H well (API #30-025-47394). Proposed to be drilled into the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying the E/2 W/2 of Section 29, Township 26 South, Range 35 East, and the E/2 NW/4 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. The well and lands are located approximately 14 miles southwest of Jal, New Mexico.

This application will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division on July 1, 2021 beginning at 8:15 a.m. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/hearings.html. 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 present testimony or evidence at the hearing, you must enter your appearance by June 23, 2021, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by June 24, 2021, in accordance with Division Rule 19.15.4.13 NMAC. 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.

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

**EXHIBIT B**