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

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

Case No. 21619-21620

APPLICATION OF MATADOR PRODUCTION COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 21748-21751

PRE-HEARING STATEMENT

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

as required by the rules of the Division.

APPEARANCES

APPLICANT

TITUS OIL & GAS PRODUCTION, LLC

APPLICANT'S ATTORNEY:

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

OPPONENT

MRC PERMIAN CO.

OPPONENT'S ATTORNEY:

Michael H. Feldewert Adam G. Rankin Julie Broggi Kaitlyn A. Luck Holland & Hart, LLP P.O. Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

<u>mfeldewert@hollandhart.com</u> <u>agrankin@hollandhart.com</u> <u>jbroggi@hollandhart.com</u> <u>kaluck@hollandhart.com</u>

OTHER INTERESTED PARTY

COLGATE OPERATING, LLC

OPPONENT'S ATTORNEY:

Ernest L. Padilla Padilla Law Firm, P.A. P.O. Box 2523 Santa Fe, NM 87504 (505) 988-7577 padillalawnm@outlook.com padillalaw@qwestoffice.net

STATEMENT OF THE CASE

Titus's applications in Case Nos. 21619 and 21620 were filed on December 8, 2020. Matador Production Company ("Matador") filed competing applications in Case Nos. 21748-21751 on February 25, 2021. These competing applications are set for a status conference on July 15, 2021, to determine a date for a contested hearing. In accordance with the anticipated prehearing order, Titus will file an amended prehearing statement prior to the contested hearing, summarizing the reasons that its proposals are superior to those of Matador.

In Case No. 21619, Titus seeks an order from the Division pooling all uncommitted interests in the Bone Spring formation (Salt Lake; Bone Spring [53560]) underlying a standard 560-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 of Section 22 and the NE/4 and N/2 SE/4 of Section 27, all within Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: **Thai Curry Fed Com 223H** well, to be horizontally drilled from an approximate surface hole location 376' FNL and 593' FEL of Section 22, T20S-R32E, to an approximate bottom hole location 1330' FSL and 2310' FEL of Section 27, T20S-R32E; and **Thai Curry Fed Com 224H** well, to be

horizontally drilled from an approximate surface hole location 376' FNL and 533' FEL of Section 22, T20S-R32E, to an approximate bottom hole location 1330' FSL and 990' FEL of Section 27, T20S-R32E. The completed intervals and first and last take points for these wells will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately twenty-seven miles northeast of Loving, New Mexico.

In Case No. 21620, Titus seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (Salt Lake; Wolfcamp [53570]) underlying a standard 560-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 of Section 22 and the NE/4 and N/2 SE/4 of Section 27, all within Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: **Thai Curry Fed Com 433H** well, to be horizontally drilled from an approximate surface hole location 30' FNL and 488' FEL of Section 22, T20S-R32E, to an approximate bottom hole location 10' FSL and 2310' FEL of Section 27, T20S-R32E; and **Thai Curry Fed Com 434H** well, to be horizontally drilled from an approximate surface hole location 22, T20S-R32E, to an approximate bottom hole location 10' FSL and 990' FEL of Section 27, T20S-R32E, to an approximate bottom hole location 27, T20S-R32E. The completed intervals and first and last take points for these wells will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and

3

completing the wells. The wells and lands are located approximately twenty-seven miles northeast of Loving, New Mexico.

In Case Nos. 21748-21751, Matador seeks to develop the same or overlapping lands.

PROPOSED EVIDENCE

APPLICANT TITUS

WITNESSES	TIME	EXHIBITS	
Landman TBD	Dependent on cross-examination	10-12	
Geologist TBD	Dependent on cross-examination	10-12	
Engineer TBD	Dependent on cross-examination	10-12	
OPPONENT/APPLICANT MRC/MATADOR			

WITNESSES	TIME	EXHIBITS
TBD		
OTHER INTERESTED PARTY		
WITNESSES	TIME	EXHIBITS
TBD		

PROCEDURAL MATTERS

These cases will be heard as a status conference on July 15, 2021, to set a date for contested hearing of the competing proposals. Assuming no opposition by the time of contested hearing, Applicant Titus will present these matters by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

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

Attorneys for Titus Oil & Gas Production, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following

counsel of record by electronic mail on July 8, 2021:

Michael H. Feldewert Adam G. Rankin Julie Broggi Kaitlyn A. Luck Holland & Hart, LLP P.O. Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421 <u>mfeldewert@hollandhart.com</u> <u>agrankin@hollandhart.com</u> jbroggi@hollandhart.com kaluck@hollandhart.com Ernest L. Padilla Padilla Law Firm, P.A. P.O. Box 2523 Santa Fe, NM 87504 (505) 988-7577 padillalawnm@outlook.com padillalaw@gwestoffice.net

Attorney for Colgate Operating, LLC

Attorneys for MRC Permian Co. and Matador Production Co.

/s/ Sharon T. Shaheen

District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS

Operator:	OGRID:		
MATADOR PRODUCTION COMPANY	228937		
One Lincoln Centre	Action Number:		
Dallas, TX 75240	35637		
	Action Type:		
	[HEAR] Prehearing Statement (PREHEARING)		
QUESTIONS			
Testimony			

roothiony		
Please assist us by provide the following information about your testimony.		
Number of witness	3	
Testimony time (in minutes)	0	

Page 6 of 6

Action 35637