

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

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO

Case No. 21872

**APPLICANT'S RESPONSE TO
OIL CONSERVATION DIVISION'S PREHEARING STATEMENT**

Applicant Titus Oil & Gas Production, LLC ("Titus" or "Applicant") hereby submits its response to the Oil Conservation Division's ("Division") Prehearing Statement ("OCD PHS"). As explained in Titus's Prehearing Statement and Brief in Support of Application ("Titus PHS"), Titus's proposed El Campeon 404H well ("Well") will prevent waste, protect correlative rights, and lessen environmental impact. The application should therefore be approved.

The Division opposes the application because it fears that approval will be precedent for other wells that Titus plans to drill in the future, from New Mexico into Texas, and precedent for "substantial future cross-border development originating in either New Mexico or Texas." OCD PHS at 1. On this basis, the Division posits that "the real question before the Commission is to determine whether any interstate development or production is appropriate prior to execution of a written agreement between New Mexico and Texas concerning the approach to such development generally."

Respectfully, the Division's concerns are speculative and unsupported, particularly in light of the proposed Well's surface hole location in New Mexico and Titus's commitment to comply with all New Mexico regulations. *See, e.g.*, OCD PHS at 3 (stating that "OCD does not express specific concerns with the technical aspects" but guessing that "approval . . . in the absence of a written agreement, will *likely* result in a . . . completed interstate lateral for which

controlling regulations will *likely* be in dispute). Such unfounded concerns do not support denial of the application.

The Division's concerns appear to rest in part on its anticipation that, at some unknown point in the future, another operator will propose a well that will be drilled from Texas into New Mexico. Wells drilled from Texas into New Mexico are not an issue that is before the Commission at this time. As noted, the Well proposed by this application will have a surface location in New Mexico and will cross the state line into Texas. The Commission should therefore reject the Division's arguments in this regard.

The Division lists a number of issues that it insists are implicated by Titus's application, which simply requests approval of the manner in which production is allocated. OCD PHS at 2 (listing "allocation, reporting, financial assurance, permitting, environmental issues (both resource waste and environmental releases), notice well construction, inspection, plugging and abandonment, etc."). The only issue here is allocation of production. Titus acknowledges that it must comply with all New Mexico regulations relating to each of the foregoing issues identified by the Division, because the surface hole is located in New Mexico. Thus, New Mexico's interest are fully protected.

The Division states, "That Titus is subject to both entities' jurisdiction is not sufficient or determinative of the question of which rules apply and how." OCD PHS at 4. The Division provides no example of how such a question may arise, but appears to suggest that an agreement between the States must address any circumstance in which such an issue could possibly arise. *See id.* at 4. To attempt to do so would take years and would be impossible to accomplish. Indeed, in taking this position, the Division ignores the fact that requirements by more than one agency already apply to oil and gas production in New Mexico and that mechanisms exist to

reconcile any differences. *See* OCD PHS at 6 (referencing state and federal agency requirements). To reiterate, all of the wells in Titus's development plan will be drilled from New Mexico into Texas. Thus, Titus is committed to complying with all New Mexico regulations. So long as Titus complies with all New Mexico requirements, the Division has no basis to object. If the Division anticipates a particular issue that could arise, a condition of approval in the order could address that particular issue. If Titus does not comply, the Division can take the enforcement action that would be available to it against any operator for any well that it operates in New Mexico. The Division's numerous concerns are simply a red herring under these circumstances.

The Division asserts that New Mexico and Texas "agree that a written agreement is necessary." *Id.* However, it is clear from the RRC's approval and issuance of a permit for the Well that the RRC does not believe a MOU is required before the Well can be drilled. As noted, Titus understands that with the RRC permit, it can now drill into Texas. Nothing further is required by the RRC. *See* Titus PHS at 6 and citations therein. The purpose of any MOU is to govern future interstate wells, so that an operator and the respective agencies would not be required to hold hearings before their respective commission for each proposed interstate well in the future. Titus PHS at 7.

Indeed, wells have already been drilled from Texas into New Mexico, and no memorandum of understanding ("MOU") was required. For example, the surface hole for the Medwick 32 Fed Com #1H, NM API# 30-015-44554, Texas API# 42-109-33079 ("Medwick 32 1H"), is located in Culberson County, Texas. *See* NM Medwick 1H APD, available at https://ocdimage.emnrd.state.nm.us/Imaging/FileStore/artesia/wf/311699/30015445540000_1_wf.pdf; TX Medwick 1H Form G-1, available at

<http://webapps.rrc.texas.gov/CMPL/viewPdfReportFormAction.do?method=cmplG1FormPdf&packetSummaryId=219543>; *see id.* at 3 (Remarks). Production does not occur in Texas, so the Division was not required to approve the allocation of production. However, many of the concerns expressed by the Division are raised simply by the drilling of a well from a surface location in Texas. Yet no MOU was necessary to address these concerns for other interstate wells that exist in New Mexico.

Here, the instant application concerns only one request that is distinct from other interstate wells already existing between New Mexico and other states—the allocation of production between the State of New Mexico and the State of Texas. The State of Texas has already approved allocation based on the manner in which allocation most commonly occurs in New Mexico, i.e., surface acreage. That is the only issue before the Commission, and no impediment exists that would preclude approval of allocation on this basis.

On the other hand, denial of the application would result in waste. *See Cont'l Oil Co. v. Oil Conservation Comm'n*, 1962-NMSC-062, ¶ 27, 70 N.M. 310 (“The prevention of waste is of paramount interest . . .”). As previously explained, drilling across the interstate line will provide an additional 100 feet of completed lateral within the State of New Mexico and thereby allow greater recovery of hydrocarbons for the New Mexico State Land Office and, by extension, its beneficiaries. Denial of the application therefore would result in lesser recovery of hydrocarbons for the State of New Mexico. Titus PHS at 10. Moreover, the acreage in Texas would be stranded, because it is not economically feasible to develop the small amount of Texas acreage without including it in a unit that spans the border. *See id.* at 10-11.

The Division argues that approval of the application “would essentially short circuit the required process and force terms on two agencies attempting to draft a complex interstate

agreement.” OCD PHS at 2. This argument is unsupported. First, the Division does not identify the “required process,” and, in fact, to Titus’s knowledge, there is no required process other than the request for approval of production allocation that is now before the Commission.

Similarly, the Division provides no support for its summary contention that the Commission would be acting beyond its authority. OCD PHS at 2. As explained in the Titus PHS, the Commission’s authority arises out of the Oil and Gas Act. Titus PHS at 7-8. The Division cites to no law that precludes the Commission from acting under its broad authority under the Act and approving Titus’s application. *See generally* OCD PHS. Likewise, the Division does not and, indeed, cannot support its suggestion that approval of the application could result in a well that is “not subject to clear controlling legal requirements.” OCD PHS at 2. New Mexico’s legal requirements apply, because the surface location is in New Mexico, and Titus is committed to complying with all New Mexico requirements.

The Division blames Titus for “an accelerated timeline” before the Commission. OCD PHS at 2. Again, the Division has no basis for its position. Titus has been conferring with the Division about this project for almost a year now. *See* Rebuttal Exhibits 1-14, attached hereto. After conferring with all interested parties for several months, Titus filed the instant application on April 6, 2021. Titus twice agreed to continue hearing before the Division, at the Division’s request. Titus PHS at 5. The matter was heard by a hearing examiner on June 17, 2021. A status conference was thereafter held on July 15 and again on August 19, 2021. Titus informed the Division of the RRC approval, among other things, on September 1, 2021, at which time the matter was referred to the Commission without decision by the Division. *Id.* at 6-7. The undisputed history of this case belies the Division’s assertion that somehow Titus is to blame for the timing of a hearing before the Commission. *See* 19.15.4.21 NMAC.

Finally, now, for the first time, the Division “recommends execution of a legal binding agreement between New Mexico and Texas before any interstate development and production occurs.” OCD PHS at 3. At no time has the Division or the RRC previously taken the position that a MOU must be “legally binding.” Nonetheless, the Division now takes the position that a joint powers agreement must be reached with Texas.¹ OCD PHS at 5; *see* NMSA 1978, § 11-1-1 to -7 (2009) (“Joint Powers Agreements Act”) (requiring, *inter alia*, approval by the secretary of finance and administration). This is not what was contemplated by the RRC when the suggestion regarding an MOU was made. *Cf. Paragon Foundation, Inc. v. N.M. Livestock Bd.*, 2006-NMCA_004, ¶ 28 (distinguishing between a MOU and an agreement under the Joint Powers Agreements Act). This is not what was discussed among counsel for Titus, the RRC, and the OCD at the joint meeting held on June 1, 2021.

When the RRC suggested a MOU, RRC counsel provided an example of the type of MOU that was envisioned.² Rebuttal Exhibit 15, attached hereto, is a MOU between Texas and Louisiana regarding subsurface injection and disposal operations associated with oil and gas exploration and production. It is a simple document that references the manner in which notice and objections should be made by the two states. *See id.* The Division’s belated insistence on a legally binding agreement is unprecedented and unnecessary.

Indeed, MOUs between states are rarely, if ever, “legally binding.” As the Commission is well aware, states are sovereign entities that closely protect their inherent immunity from suit. To require a waiver of sovereign immunity as part of an MOU between New Mexico and Texas

¹ Indeed, taken to its extreme, the Division’s position suggests that an interstate compact should be required. This position is clearly inconsistent with other states’ treatment of interstate wells *see* Part 2 of 2 at pdf 168-70, ¶¶ 5-7; and is wholly unsupported by legal citation in the Division’s brief.

² This sample MOU was previously provided to OCD counsel.

would be an unnecessary impediment to the drilling of an interstate well that will, inarguably, prevent waste, protect correlative rights, and minimize environmental impact. *See* OCD PHS at 3 (“OCD does not express specific concerns with the technical aspects of this application . . .”).

Notably, the Division does not address the core issues before the Commission, which are whether Titus’s proposal prevents waste and protects correlative rights. This is because it cannot be disputed—Titus’s proposed El Campeon 404H will prevent waste and protect correlative rights. Neither the Division nor the Commission should avoid their statutory obligations by requiring a “legally binding” MOU between New Mexico and Texas before approving one well to be drilled from New Mexico into Texas under these circumstances.

For all of the reasons stated here, in Titus’s Prehearing Statement and Brief in Support of Application, and in the record made below in the Division, the application should be granted. Should the Commission be inclined to require a MOU before production, Titus requests that an order be issued with a condition requiring that a MOU be executed by December 1, 2021, and that it set a timeline to which the parties must adhere to meet that deadline.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: /s/Sharon T. Shaheen

Sharon T. Shaheen
Ricardo S. Gonzales
P.O. Box 2307
Santa Fe, New Mexico 87504-2307
(505) 986-2678
sshaheen@montand.com
rgonzales@montand.com

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 September 24, 2021:

Eric Ames
Jesse Tremaine
Assistant General Counsel
NM ENERGY AND MINERALS AND NATURAL
RESOURCES DEPARTMENT
1220 S. St. Francis Drive
Santa Fe, NM 87501
(575) 741-1231
(505) 231-9312
eric.ames@state.nm.us
jessek.tremaine@state.nm.us

*Attorneys for Intervenor NM Oil
Conservation Division*

Dana Hardy
Michael Rodriguez
HINKLE SHANOR, LLP
P.O. Box 2068
Santa Fe, NM 87504-2068
(505) 982-4554
dhardy@hinklelawfirm.com
mrodriguez@hinklelawfirm.com

and

Harold L. Hensley, Jr.
State Bar #1142
KELLY HART & HALLMAN LLP
P.O. Box 3580
500 W. Illinois, Suite 800
Midland, TX 79702
(432) 688-0423
(432) 683-6518 (fax)
Harold.hensley@kellyhart.com

Attorneys for Pegasus Resources, LLC

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
HOLLAND & HART, LLP
P.O. Box 2208
Santa Fe, NM 87504
(505) 988-4421
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
kaluck@hollandhart.com

Attorneys for EOG Resources, Inc.

Ari Biernoff, General Counsel
Nicholas Koluncich
NEW MEXICO STATE LAND OFFICE
P.O. Box 1148
Santa Fe, NM 87504-1148
(505) 827-5756
abiernoff@slo.state.nm.us
nkoluncich@slo.state.nm.us

*Attorneys for Stephanie Garcia Richard,
Commissioner of Public Lands of the State of
New Mexico, and New Mexico
State Land Office*

/s/ Sharon T. Shaheen
Sharon T. Shaheen

From: [Ryan DeLong](#)
To: [Walt Jones](#); [Sharon T. Shaheen](#)
Subject: FW: Multi-State Lateral Conversation
Date: Monday, September 20, 2021 2:21:51 PM
Attachments: [image003.jpg](#)

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

From: Ryan DeLong
Sent: Tuesday, November 10, 2020 11:43 AM
To: daniel.sanchez@state.nm.us
Subject: Multi-State Lateral Conversation

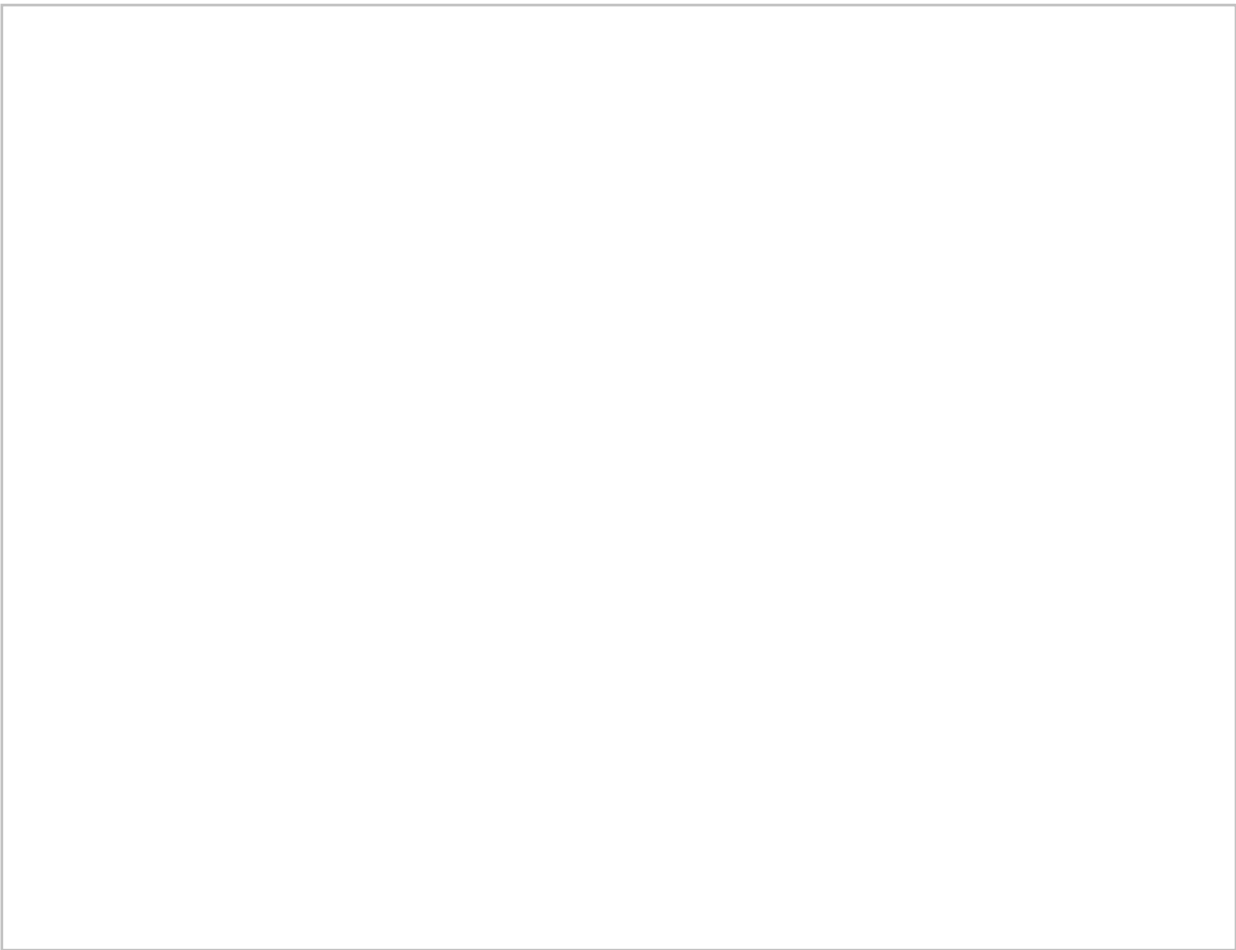
Daniel,

Thank you for taking my call today. As discussed, Titus has embarked on a journey to establish an administrative process by which an operator could permit and drill a horizontal well that produces minerals in both New Mexico and Texas. The well we're proposing is the El Campeon Fed Com 514H well, which was just approved by the BLM (has not had an API number assigned yet). In its current state, the well will be drilled from the SESE of section 20, T26S, R35E, developing minerals in sections 29 (Federal minerals) and 32 (State minerals). The proposed amendment (attached screenshot) would extend this lateral into A-701 in Texas, a wedged shaped lease that will likely be stranded since the developments to the south plan to stop short.

From an allocation stand-point, A-701 could be treated no differently than a fee lease with a full NM. The HSU would end up being non-standard, unless we were somehow able to pool it. BLM has indicated it's doable. RRC sees no reason it couldn't go forward barring some issue from the state of New Mexico. I'm encouraged by the willingness of all the groups.

No doubt there will be a few things to work through, but I'm excited to hear that his has already been done on the NM-CO border. I look forward to hearing back from you, and please let me know if there is anything information you need from me.

Titus's Rebuttal
Exhibit 1



Ryan DeLong
Regulatory Manager
Titus Oil & Gas, LLC
817-852-6370 (office)
405-664-5188 (mobile)

From: [Ryan DeLong](#)
To: [Walt Jones](#); [Sharon T. Shaheen](#)
Subject: FW: Multi-State Lateral Conversation
Date: Monday, September 20, 2021 2:21:59 PM
Attachments: [image001.jpg](#)

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

From: Ryan DeLong
Sent: Friday, December 4, 2020 10:55 AM
To: daniel.sanchez@state.nm.us
Subject: RE: Multi-State Lateral Conversation

Hello Daniel. I'm reaching out in the hopes you've had a chance to discuss this throughout the OCD? We're hoping to move pretty quickly to get a hearing scheduled with the TX RRC, but I want to make sure we have our administrative ducks in a row with OCD as well. Please feel free to reach out at 405-664-5188 or we can set up another call. Hope all is well!

Ryan DeLong

From: Ryan DeLong
Sent: Tuesday, November 10, 2020 11:43 AM
To: daniel.sanchez@state.nm.us
Subject: Multi-State Lateral Conversation

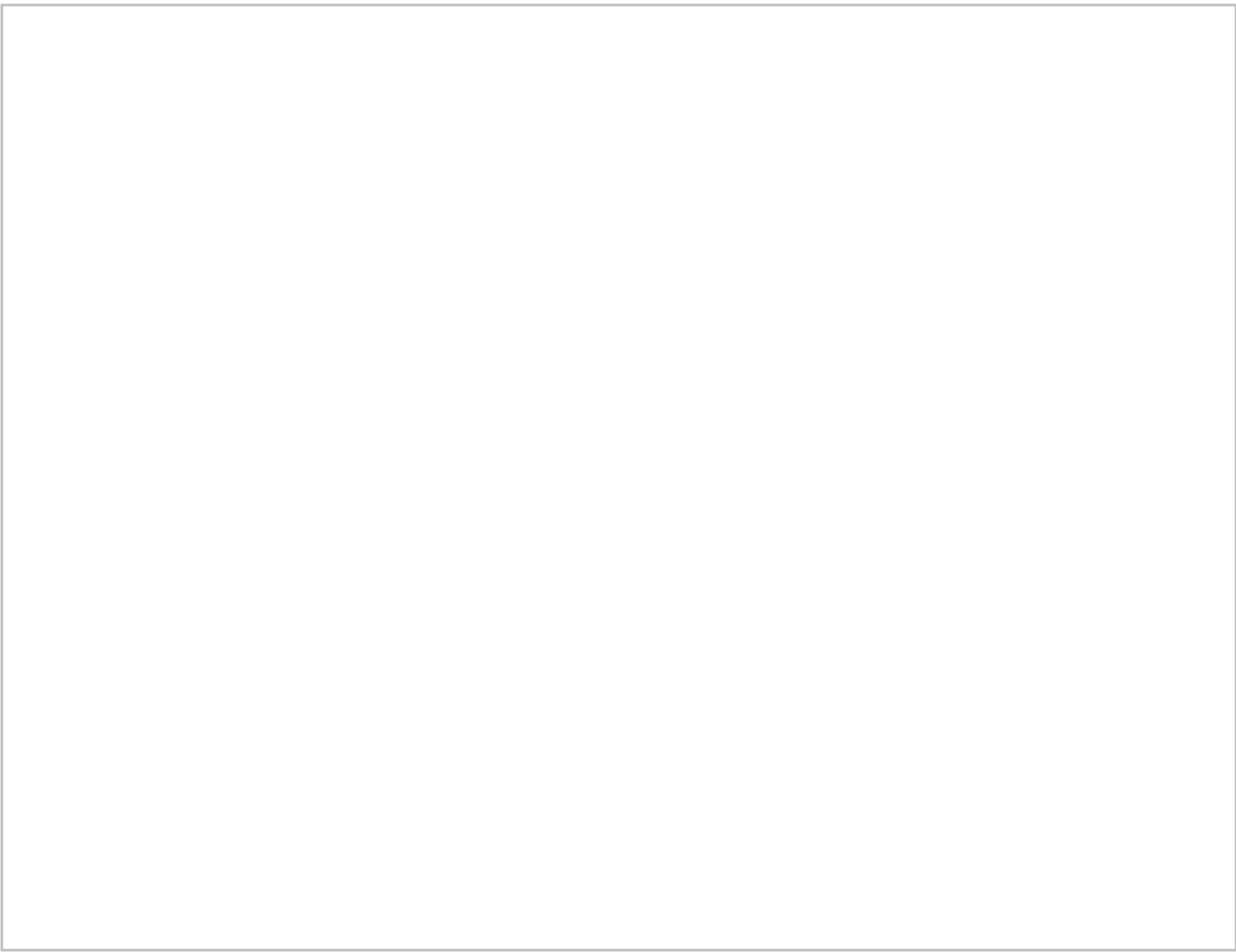
Daniel,

Thank you for taking my call today. As discussed, Titus has embarked on a journey to establish an administrative process by which an operator could permit and drill a horizontal well that produces minerals in both New Mexico and Texas. The well we're proposing is the El Campeon Fed Com 514H well, which was just approved by the BLM (has not had an API number assigned yet). In its current state, the well will be drilled from the SESE of section 20, T26S, R35E, developing minerals in sections 29 (Federal minerals) and 32 (State minerals). The proposed amendment (attached screenshot) would extend this lateral into A-701 in Texas, a wedged shaped lease that will likely be stranded since the developments to the south plan to stop short.

From an allocation stand-point, A-701 could be treated no differently than a fee lease with a full NM. The HSU would end up being non-standard, unless we were somehow able to pool it. BLM has indicated it's doable. RRC sees no reason it couldn't go forward barring some issue from the state of New Mexico. I'm encouraged by the willingness of all the groups.

No doubt there will be a few things to work through, but I'm excited to hear that his has already been done on the NM-CO border. I look forward to hearing back from you, and please let me know if there is anything information you need from me.

Titus's Rebuttal
Exhibit 2



Ryan DeLong
Regulatory Manager
Titus Oil & Gas, LLC
817-852-6370 (office)
405-664-5188 (mobile)

From: [Ryan DeLong](#)
To: [Walt Jones](#); [Sharon T. Shaheen](#)
Subject: FW: Follow Up to Voicemail - Multi-State Lateral
Date: Monday, September 20, 2021 2:23:24 PM
Attachments: [State Line Crossing - Well Examples 12.14.2020.pdf](#)

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

From: Ryan DeLong
Sent: Tuesday, January 5, 2021 10:48 AM
To: brandon.powell@state.nm.us
Cc: Walt Jones <wjones@titusoil.com>
Subject: Follow Up to Voicemail - Multi-State Lateral

Mr. Powell,

I hope this message finds you well. As stated in my voicemail, we're reaching out to you to discuss the administrative process of drilling a multi-state lateral from New Mexico into Texas. Since this well originates in New Mexico (see attachment) I wanted to reach out and continue the discussions with you and the NMOCD (recall I've discussed at length with Daniel Sanchez). Please feel free to contact me via phone or email at your earliest convenience. Titus intends on spudding this well in early April (we have an approved Federal APD that would be sundried to extend into TX), so time is of the essence. We very much look forward to talking with you, and appreciate your guidance in advance. We also remain available to travel to Santa Fe should the discussion warrant more of a brainstorming session...many of the stakeholders are located in Santa Fe.

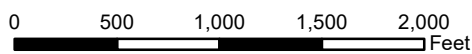
Very Respectfully,

Ryan DeLong
Regulatory Manager
Titus Oil & Gas, LLC
817-852-6370 (office)
405-664-5188 (mobile)

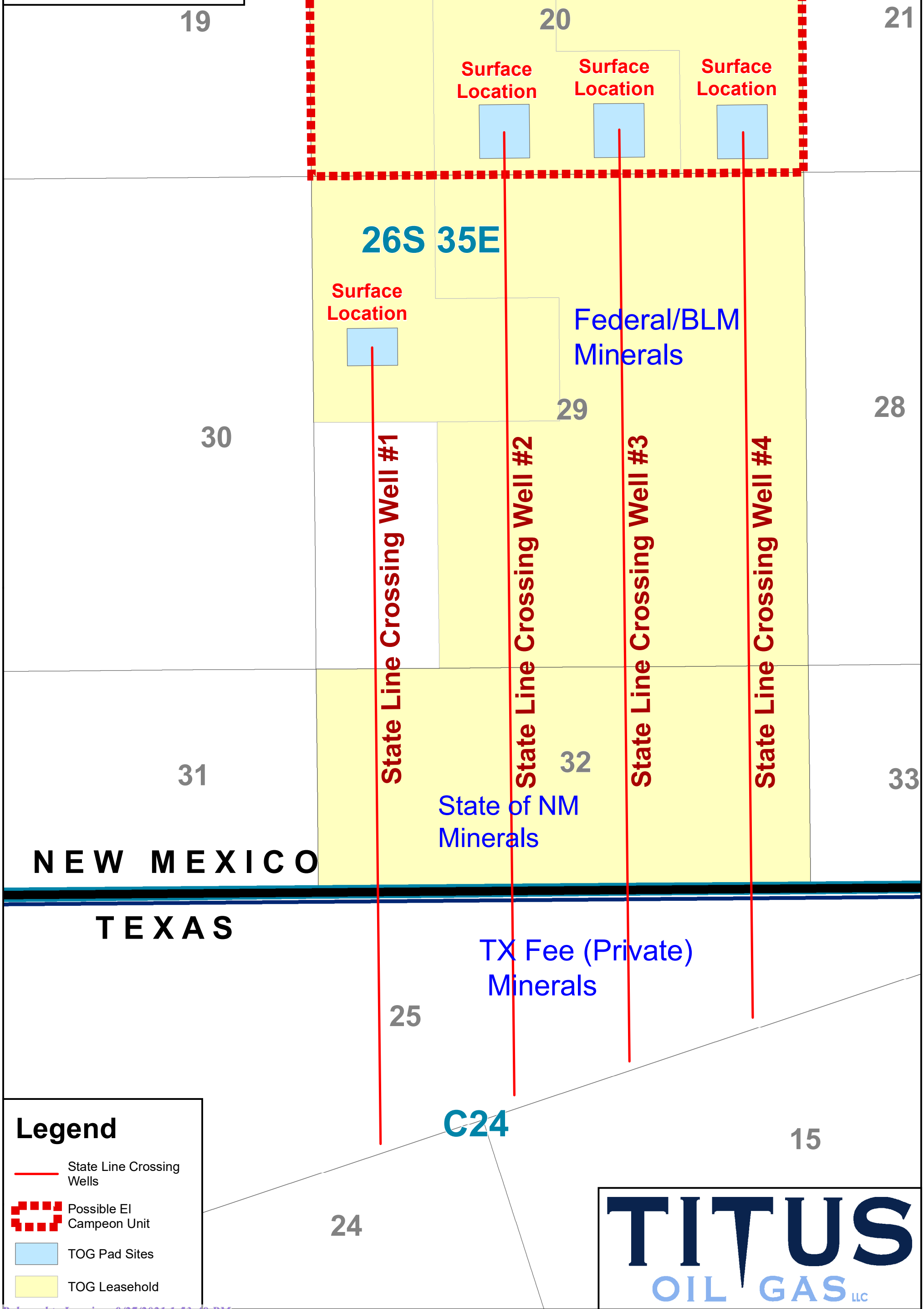
Titus's Rebuttal
Exhibit 3

El Campeon State Line PoD





Lea County, New Mexico



Possible El Campeon Federal Unit



Legend

-  State Line Crossing Wells
-  Possible El Campeon Unit
-  TOG Pad Sites
-  TOG Leasehold



From: [Ryan DeLong](#)
To: [Walt Jones](#); [Sharon T. Shaheen](#)
Subject: FW: NM-TX Multi-State Lateral
Date: Monday, September 20, 2021 2:23:33 PM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

From: Ryan DeLong
Sent: Wednesday, March 31, 2021 3:40 PM
To: brandon.powell@state.nm.us
Subject: NM-TX Multi-State Lateral

Mr. Powell,

I hope this message finds you well. I've left a few messages for you over the past couple days, so I wanted to follow up with an email in the hopes of finding a good time to discuss Titus's proposed multi-state lateral wells, especially the necessity of an OCD hearing Paul Kautz suggested might be required for approval of the production allocation. Please give me a call at your earliest convenience to discuss.

Very Respectfully,

Ryan DeLong

Regulatory Manager – Titus Oil & Gas

Cell: 405-664-5188

Titus's Rebuttal
Exhibit 4

From: [Ryan DeLong](#)
To: [Walt Jones](#); [Sharon T. Shaheen](#)
Subject: FW: Follow Up On Phone Call - 4/15/2021
Date: Monday, September 20, 2021 2:23:58 PM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

From: Ryan DeLong
Sent: Thursday, April 15, 2021 10:34 AM
To: Brandon.powell@state.nm.us
Subject: Follow Up On Phone Call - 4/15/2021

Mr. Powell,

I understand from our conversation today that you're looking at our proposed interstate lateral as NSPU rather than NSL of the takepoint. Based on that, it's my understanding we don't need to file a NSL application. Can you confirm?

Very Repectfully,

Ryan DeLong

Regulatory Manager

Titus Oil & Gas, LLC

817-852-6370 (office)

405-664-5188 (mobile)

Titus's Rebuttal
Exhibit 5

From: [Ryan DeLong](#)
To: [Sharon T. Shaheen](#); [Walt Jones](#)
Subject: FW: Notes from conversation with Lorenzo Garza
Date: Monday, September 20, 2021 2:25:44 PM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

From: Ryan DeLong <rdelong@titusoil.com>
Sent: Tuesday, November 10, 2020 10:56 AM
To: Ryan DeLong <rdelong@titusoil.com>
Subject: Notes from conversation with Lorenzo Garza

- Proof of concept – one first then the rest
- Receive application – notify that intention that no admin process – aides of commissioner – it's been filed – go ahead or need to have a hearing – work with docket services for date to come in –
- What is the position of New Mexico OCD? Make sure commissioners are both aware.
- RRC sees value in this – many operators have multi-state contiguous land
- Commissioners encourage processes like this – develop relationships with sister agencies – jump
- Titus can build the “rule book” for

Ryan DeLong
Regulatory Manager
Titus Oil & Gas, LLC
817-852-6370 (office)
405-664-5188 (mobile)

Titus's Rebuttal
Exhibit 6

From: [Ryan DeLong](#)
To: [Walt Jones](#); [Sharon T. Shaheen](#)
Subject: FW: [EXTERNAL] Well Crossing State Line
Date: Monday, September 20, 2021 2:27:25 PM
Attachments: [image001.png](#)

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

From: Ryan DeLong
Sent: Tuesday, January 5, 2021 12:00 PM
To: Paradis, Kyle O <kparadis@blm.gov>
Cc: Walt Jones <wjones@titusoil.com>
Subject: RE: [EXTERNAL] Well Crossing State Line

Mr. Paradis,

Nice to make your acquaintance and I hope you enjoyed the holiday break. We're encouraged that you're already working to identify a solution to the communitization hurdle our proposal would be met with. Titus would very much like to be involved in a solution to whatever capacity you see fit. Since we have a relatively firm spud date of 4/5/2020 for our first multi-state lateral, I was hoping you could provide a brief update on where you're at with a resolution, and maybe how long you anticipate before it's implemented? Any info would be great for our planning purposes. We very much appreciate your guidance and assistance, and remain available to assist in any way we can.

Very Respectfully,

Ryan DeLong
Regulatory Manager
Titus Oil & Gas, LLC
817-852-6370 (office)
405-664-5188 (mobile)

From: Haque, Mustafa H <mhaque@blm.gov>
Sent: Monday, January 4, 2021 9:59 AM
To: Walt Jones <[wjones@titusoil.com](#)>; Ryan DeLong <[rdelong@titusoil.com](#)>
Cc: Paradis, Kyle O <[kparadis@blm.gov](#)>; Walls, Christopher <[cwalls@blm.gov](#)>
Subject: [EXTERNAL] Well Crossing State Line

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Morning Walt and Ryan,

I would like to summarize our conversation that we had last week:

- 1) The BLM Montana Office is working on a path forward to communitize well(s) that will cross state boundary; please contact Kyle Paradis (BLM) for the update.
- 2) Please contact NMOCD and NMSLO for their consent and any information that they can provide regarding wells crossing state boundary
- 3) Please contact BLM Carlsbad Field Office to understand how the well information will be put into AFMSS 1

**Titus's Rebuttal
Exhibit 7**

4) I have been informed that ONRR needs to be brought into this conversation as well. If BLM approves this CA, we will have to make sure that it does not create a problem for ONRR when it comes to reporting production.

Thanks,

Haque

Regards,

Haque, Mustafa

Petroleum Engineer

Fluid Minerals Division (HQ 310)

Bureau of Land Management

301 Dinosaur Trail

Santa Fe, NM 87508

505-954-2088 (office)

505-270-7064 (cell)



From: [Ryan DeLong](#)
To: [Walt Jones](#); [Sharon T. Shaheen](#)
Subject: FW: [EXTERNAL] RE: Titus Oil & Gas - TX-NM Multi-State Lateral
Date: Monday, September 20, 2021 2:29:33 PM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

From: Lorenzo Garza <Lorenzo.Garza@rrc.texas.gov>
Sent: Tuesday, January 12, 2021 10:14 AM
To: Ryan DeLong <rdelong@titusoil.com>
Subject: [EXTERNAL] RE: Titus Oil & Gas - TX-NM Multi-State Lateral

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Morning Ryan,
Feel free to file your permit and include as an attachment a request for a hearing. That way I will have it if it is necessary for continued processing of the application. When you submit it if you could email me the status number so I can grab it and start running it up the flagpole.

From: Ryan DeLong <rdelong@titusoil.com>
Sent: Monday, January 11, 2021 3:23 PM
To: Lorenzo Garza <Lorenzo.Garza@rrc.texas.gov>
Subject: Titus Oil & Gas - TX-NM Multi-State Lateral

CAUTION: This email originated from outside of the Railroad Commission of Texas. Do NOT click links or open attachments from unknown sources without first confirming the message is legitimate. If you believe this to be a malicious and/or phishing email, please contact the ITS Help Desk at 512-463-7229. Do not respond to or forward the email, click on any links or open any attachments without guidance from the Help Desk

Mr. Garza,
I hope this message finds you well and you enjoyed your holidays. Titus is moving ahead to permit the multi-state lateral across the NM/Texas border. All administrative parties have agreed in theory, now I've been asked to simply send in the sundries and permits so they can begin working through them. As for the RRC, if you determine we need to set up a hearing before the commissioner, I would request we do that immediately. If you think there is a way to handle this administratively in the same fashion we did the back-build permit (SHL/FTP is state line penetration point, LTP/BHL show normally on the plat) then I will start to work through that with your online system. Please let me know at your earliest convenience. This well is scheduled to spud in April, and there are still many things to work through, so time is of the essence.

Very Respectfully,
Ryan DeLong
Regulatory Manager
Titus Oil & Gas, LLC
817-852-6370 (office)

Titus's Rebuttal
Exhibit 8

405-664-5188 (mobile)

From: [Ryan DeLong](#)
To: [Walt Jones](#); [Sharon T. Shaheen](#)
Subject: FW: [EXTERNAL] Multi-State Comm Agreement
Date: Monday, September 20, 2021 2:29:48 PM
Attachments: [image001.jpg](#)
[image003.jpg](#)
[image002.jpg](#)
[image004.jpg](#)

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

From: Khalsa, Niranjn <nkhalsa@slo.state.nm.us>
Sent: Wednesday, January 13, 2021 10:27 AM
To: Ryan DeLong <rdelong@titusoil.com>
Cc: Walt Jones <wjones@titusoil.com>
Subject: [EXTERNAL] Multi-State Comm Agreement

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good morning Ryan,
 Scott forwarded your question about drilling across state lines into Texas and communitizing the acreage. Unfortunately, we do not have a jurisdictional agreement with Texas for comms and so currently SLO lands cannot participate in such projects. It would be beyond April and your proposed spud date before SLO could get such an agreement in place. If you are willing to postpone the drilling of the well while SLO pursues such an agreement, please let me know. Otherwise, you will need to stick to an all-NM spacing unit as permitted currently by the BLM. Please let me know what you would like to do.

Thanks,
 Niranjn

****Due to the Coronavirus, State Land Office facilities are closed to the public until further notice. Business operations remain open and our staff can be reached at (505) 827-5760 or www.nmstatelands.org/contact.**

Niranjn Khalsa
 Comms/Units/Geology
 Oil, Gas & Minerals Division
 505.827.6628
 New Mexico State Land Office
 310 Old Santa Fe Trail
 P.O. Box 1148
 Santa Fe, NM 87504-1148
email@slo.state.nm.us
nmstatelands.org

Titus's Rebuttal
 Exhibit 9

.....
CONFIDENTIALITY NOTICE - This e-mail transmission, including all documents, files, or previous e-mail messages attached hereto, may contain confidential and/or legally privileged information. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby

notified that you must not read this transmission and that any disclosure, copying, printing, distribution, or use of any of the information contained in and/or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify the sender and delete the original transmission and its attachments without reading or saving in any manner. Thank you.

This email has been scanned by the Symantec Email Security.cloud service.
For more information please visit <http://www.symanteccloud.com>

From: [Ryan DeLong](#)
To: [Walt Jones](#); [Sharon T. Shaheen](#)
Subject: FW: [EXTERNAL] Multi-State Comm Agreement
Date: Monday, September 20, 2021 2:30:12 PM
Attachments: [image001.jpg](#)
[image005.jpg](#)
[image004.jpg](#)
[image006.jpg](#)

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

From: Khalsa, Niranjana <nkhalsa@slo.state.nm.us>
Sent: Wednesday, January 13, 2021 5:19 PM
To: Ryan DeLong <rdelong@titusoil.com>
Cc: Walt Jones <wjones@titusoil.com>
Subject: RE: [EXTERNAL] Multi-State Comm Agreement

Hi Ryan,

Unfortunately the lease savings clauses can only be invoked if reworking/spud+continuous operation occurs before the lease expiration, which won't be the case if we are still trying to negotiate an agreement with Texas. I will take this up with our leasing manager and assistant commissioner and let you know if there is anything we can offer as a solution. It might be best to be prepared to drill this lease as part of a New Mexico-only spacing unit.

I'll let you know as soon as I hear something.

Thanks,

Niranjana

From: Ryan DeLong [<mailto:rdelong@titusoil.com>]
Sent: Wednesday, January 13, 2021 1:15 PM
To: Khalsa, Niranjana <nkhalsa@slo.state.nm.us>
Cc: Walt Jones <wjones@titusoil.com>
Subject: RE: [EXTERNAL] Multi-State Comm Agreement

Thank you for the message, Niranjana. The main motivation for our current spud date is an NMSLO lease expiration in Section 32, 26S-35E. Is there a time we could get on the phone and discuss Titus's options and path forward? We have good availability this week and early next week, just let us know what works for you. Thank you in advance.

Very Respectfully,

Ryan DeLong

Regulatory Manager

Titus Oil & Gas, LLC

817-852-6370 (office)

405-664-5188 (mobile)

From: Khalsa, Niranjana <nkhalsa@slo.state.nm.us>
Sent: Wednesday, January 13, 2021 10:27 AM
To: Ryan DeLong <rdelong@titusoil.com>
Cc: Walt Jones <wjones@titusoil.com>
Subject: [EXTERNAL] Multi-State Comm Agreement

Titus's Rebuttal
Exhibit 10

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good morning Ryan,
Scott forwarded your question about drilling across state lines into Texas and communitizing the acreage. Unfortunately, we do not have a jurisdictional agreement with Texas for comms and so currently SLO lands cannot participate in such projects. It would be beyond April and your proposed spud date before SLO could get such an agreement in place. If you are willing to postpone the drilling of the well while SLO pursues such an agreement, please let me know. Otherwise, you will need to stick to an all-NM spacing unit as permitted currently by the BLM. Please let me know what you would like to do.

Thanks,
Niranjan

****Due to the Coronavirus, State Land Office facilities are closed to the public until further notice. Business operations remain open and our staff can be reached at (505) 827-5760 or www.nmstatelands.org/contact.**

Niranjan Khalsa
Comms/Units/Geology
Oil, Gas & Minerals Division
505.827.6628
New Mexico State Land Office
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504-1148
email@slo.state.nm.us
nmstatelands.org

.....
CONFIDENTIALITY NOTICE - This e-mail transmission, including all documents, files, or previous e-mail messages attached hereto, may contain confidential and/or legally privileged information. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that you must not read this transmission and that any disclosure, copying, printing, distribution, or use of any of the information contained in and/or attached to this transmission is **STRICTLY PROHIBITED**. If you have received this transmission in error, please immediately notify the sender and delete the original transmission and its attachments without reading or saving in any manner. Thank you.

This email has been scanned by the Symantec Email Security.cloud service.
For more information please visit <http://www.symanteccloud.com>

This email has been scanned by the Symantec Email Security.cloud service.
For more information please visit <http://www.symanteccloud.com>

This email has been scanned by the Symantec Email Security.cloud service.

For more information please visit <http://www.symanteccloud.com>

From: [Ryan DeLong](#)
To: [Walt Jones](#); [Sharon T. Shaheen](#)
Subject: FW: [EXTERNAL] RE: Request for Three Month Extension - NMSLO Lease VB-2563
Date: Monday, September 20, 2021 2:30:50 PM
Attachments: [image001.jpg](#)
[image003.jpg](#)
[image002.jpg](#)
[image004.jpg](#)
[image008.jpg](#)
[State Line Crossing - Well Examples 12.14.2020.pdf](#)

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

From: Walt Jones <wjones@titusoil.com>
Sent: Monday, February 1, 2021 3:25 PM
To: Montoya, Kenda <kmontoya@slo.state.nm.us>; Khalsa, Niranjana <nkhalsa@slo.state.nm.us>
Cc: Ryan DeLong <rdelong@titusoil.com>
Subject: RE: [EXTERNAL] RE: Request for Three Month Extension - NMSLO Lease VB-2563

Ms. Montoya,

Thank you for reaching out. Ryan DeLong just told me you reached out to him, but I also wanted to follow up here. We were preparing to drill this lease in April 2021 as part of a development that would drill/produce minerals in both New Mexico and Texas. I have attached a map depicting what the development would look like, with Section 32 on the map being the subject lease (NMSLO Lease VB-2563). As part of our regulatory preparations, Ryan reached out to Niranjana to get her feedback on getting a communitization agreement in place. Niranjana advised that it would not be possible to an agreement in place between the states of Texas and New Mexico in time for our planned spud and suggested we request an extension. The main reason for our request is to get everything in place with the proper regulatory bodies, not to further delay the development of the lease. We are very appreciative for the 1-year extension which was previously granted and hope that the requested 3-months will help get all of the regulatory boxes checked for this unique development. Please let me know if there is any additional information we can provide and we will send it over!

Thank you,

Walt Jones

Vice President - Land
Titus Oil & Gas, LLC
420 Throckmorton St., Suite 1150
Fort Worth, TX 76102
Office: (817) 852-6875
Cell: (817) 897-2134

From: Montoya, Kenda <kmontoya@slo.state.nm.us>
Sent: Monday, February 1, 2021 2:49 PM
To: Walt Jones <wjones@titusoil.com>; Khalsa, Niranjana <nkhalsa@slo.state.nm.us>
Cc: Ryan DeLong <rdelong@titusoil.com>
Subject: RE: [EXTERNAL] RE: Request for Three Month Extension - NMSLO Lease VB-2563
Walt/Ryan,

I'm writing my review for this request. I thought this lease number looked familiar, I see that the

Titus's Rebuttal
Exhibit 11

Commissioner granted an extension of this lease last March until 8/1/2021. Are you requesting 90 days more?

Ca

Thanks,

Kenda Montoya

Oil and Gas Lease Manager
Oil, Gas and Minerals Division
505.827.5749
New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

or

P.O. Box 1148
Santa Fe, NM 87504-1148
kmontoya@slo.state.nm.us
nmstatelands.org

****Due to the Coronavirus, State Land Office facilities are closed to the public until further notice. Business operations remain open and our staff can be reached at (505) 827-5760 or www.nmstatelands.org/contact.**

.....

CONFIDENTIALITY NOTICE - This e-mail transmission, including all documents, files, or previous e-mail messages attached hereto, may contain confidential and/or legally privileged information. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that you must not read this transmission and that any disclosure, copying, printing, distribution, or use of any of the information contained in and/or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify the sender and delete the original transmission and its attachments without reading or saving in any manner. Thank you.

From: Walt Jones [<mailto:wjones@titusoil.com>]

Sent: Friday, January 29, 2021 3:03 PM

To: Khalsa, Niranjana <nkhalsa@slo.state.nm.us>

Cc: Ryan DeLong <rdejong@titusoil.com>; Montoya, Kenda <kmontoya@slo.state.nm.us>

Subject: RE: [EXTERNAL] RE: Request for Three Month Extension - NMSLO Lease VB-2563

Thanks for the feedback, Niranjana. I will give you a call Monday just to get an idea if there is anything we can do to help on our end. Ms. Montoya, any feedback you have would also be greatly appreciated.

I hope you all have a great weekend!

Thank you,

Walt Jones

Vice President - Land
Titus Oil & Gas, LLC
420 Throckmorton St., Suite 1150
Fort Worth, TX 76102
Office: (817) 852-6875
Cell: (817) 897-2134

From: Khalsa, Niranjana <nkhalsa@slo.state.nm.us>
Sent: Friday, January 29, 2021 11:17 AM
To: Walt Jones <wjones@titusoil.com>
Cc: Ryan DeLong <rdelong@titusoil.com>; Montoya, Kenda <kmontoya@slo.state.nm.us>
Subject: FW: [EXTERNAL] RE: Request for Three Month Extension - NMSLO Lease VB-2563

Hello Walt,

In answer to your email this morning, please see the chain below. Titus has requested a 3 month lease extension from our leasing manager, Kenda Montoya, already. So until that is approved or denied by the Commissioner, there is little else to do at this point. If you would like to follow up with Kenda, I have copied her here. Regarding getting a programmatic agreement with Texas in place, that is being reviewed by senior & legal staff. When I get an update I will inform you. If you still want to talk to me on Monday, I will be available.

Thanks,

Niranjana

****Due to the Coronavirus, State Land Office facilities are closed to the public until further notice.**

Business operations remain open and our staff can be reached at (505) 827-5760 or

www.nmstatelands.org/contact.

Niranjana Khalsa

Comms/Units/Geology

Oil, Gas & Minerals Division

505.827.6628

New Mexico State Land Office

310 Old Santa Fe Trail

P.O. Box 1148

Santa Fe, NM 87504-1148

email@slo.state.nm.us

nmstatelands.org

.....

CONFIDENTIALITY NOTICE - This e-mail transmission, including all documents, files, or previous e-mail messages attached hereto, may contain confidential and/or legally privileged information. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that you must not read this transmission and that any disclosure, copying, printing, distribution, or use of any of the information contained in and/or attached to this transmission is **STRICTLY PROHIBITED**. If you have received this transmission in error, please immediately notify the sender and delete the original transmission and its attachments without reading or saving in any manner. Thank you.

From: Ryan DeLong [<mailto:rdelong@titusoil.com>]
Sent: Thursday, January 21, 2021 1:35 PM
To: Montoya, Kenda <kmontoya@slo.state.nm.us>
Cc: Khalsa, Niranjana <nkhalsa@slo.state.nm.us>; Marks, Allison <amarks@slo.state.nm.us>
Subject: RE: [EXTERNAL] RE: Request for Three Month Extension - NMSLO Lease VB-2563

Hello Ms. Montoya,

Yes, I've spoken with Paul Kautz about the plans to develop these multi-state wells. Like the Texas Railroad Commission, he's indicated these permits would be approvable administratively and even told me they've approved some historically (although they were never drilled).

Please let me know if I can provide any further information.

Very Respectfully,

Ryan DeLong
Regulatory Manager
Titus Oil & Gas, LLC
817-852-6370 (office)
405-664-5188 (mobile)

From: Montoya, Kenda <kmontoya@slo.state.nm.us>
Sent: Thursday, January 21, 2021 2:18 PM
To: Ryan DeLong <rdelong@titusoil.com>
Cc: Khalsa, Niranjana <nkhalsa@slo.state.nm.us>; Marks, Allison <amarks@slo.state.nm.us>
Subject: [EXTERNAL] RE: Request for Three Month Extension - NMSLO Lease VB-2563

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Ryan,
Thank you for your request. Can you tell me has this development plan been discussed with or approved by NM Oil Conservation Division?

Thanks,

Kenda Montoya

*Oil and Gas Lease Manager
Oil, Gas and Minerals Division
505.827.5749
New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501*

or

P.O. Box 1148
Santa Fe, NM 87504-1148
kmontoya@slo.state.nm.us

nmstatelands.org

****Due to the Coronavirus, State Land Office facilities are closed to the public until further notice. Business operations remain open and our staff can be reached at (505) 827-5760 or www.nmstatelands.org/contact.**

.....
CONFIDENTIALITY NOTICE - This e-mail transmission, including all documents, files, or previous e-mail messages attached hereto, may contain confidential and/or legally privileged information. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that you must not read this transmission and that any disclosure, copying, printing, distribution, or use of any of the information contained in and/or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify the sender and delete the original transmission and its attachments without reading or saving in any manner. Thank you.

From: Ryan DeLong [<mailto:rdelong@titusoil.com>]
Sent: Thursday, January 14, 2021 10:33 AM
To: Montoya, Kenda <kmontoya@slo.state.nm.us>

Cc: Khalsa, Niranjana <nkhalsa@slo.state.nm.us>

Subject: [EXTERNAL] Request for Three Month Extension - NMSLO Lease VB-2563

Ms. Montoya,

I hope this message finds you well during these unprecedented times. Ms. Khalsa was kind enough to direct me to [this link](#) in response to a communitization agreement inquiry I recently made. Due to the effects of COVID-19, specifically the closure of the NMSLO offices and the limited staff and availability of the Texas Railroad Commission, Titus requests a three month extension for Lease VB-2563. This request is made in order to provide ample time for the NMSLO to pursue a jurisdictional and communitization agreement with the State of Texas for Titus's proposed development across the New Mexico/Texas state line, which includes the subject lease. We very much appreciate your consideration in the matter, and remain available for any further information you might need.

Very Respectfully,

Ryan DeLong

Regulatory Manager

Titus Oil & Gas, LLC

817-852-6370 (office)

405-664-5188 (mobile)

This email has been scanned by the Symantec Email Security.cloud service.
For more information please visit <http://www.symanteccloud.com>

This email has been scanned by the Symantec Email Security.cloud service.
For more information please visit <http://www.symanteccloud.com>

This email has been scanned by the Symantec Email Security.cloud service.
For more information please visit <http://www.symanteccloud.com>

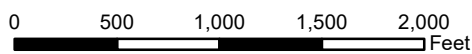
This email has been scanned by the Symantec Email Security.cloud service.
For more information please visit <http://www.symanteccloud.com>

This email has been scanned by the Symantec Email Security.cloud service.
For more information please visit <http://www.symanteccloud.com>

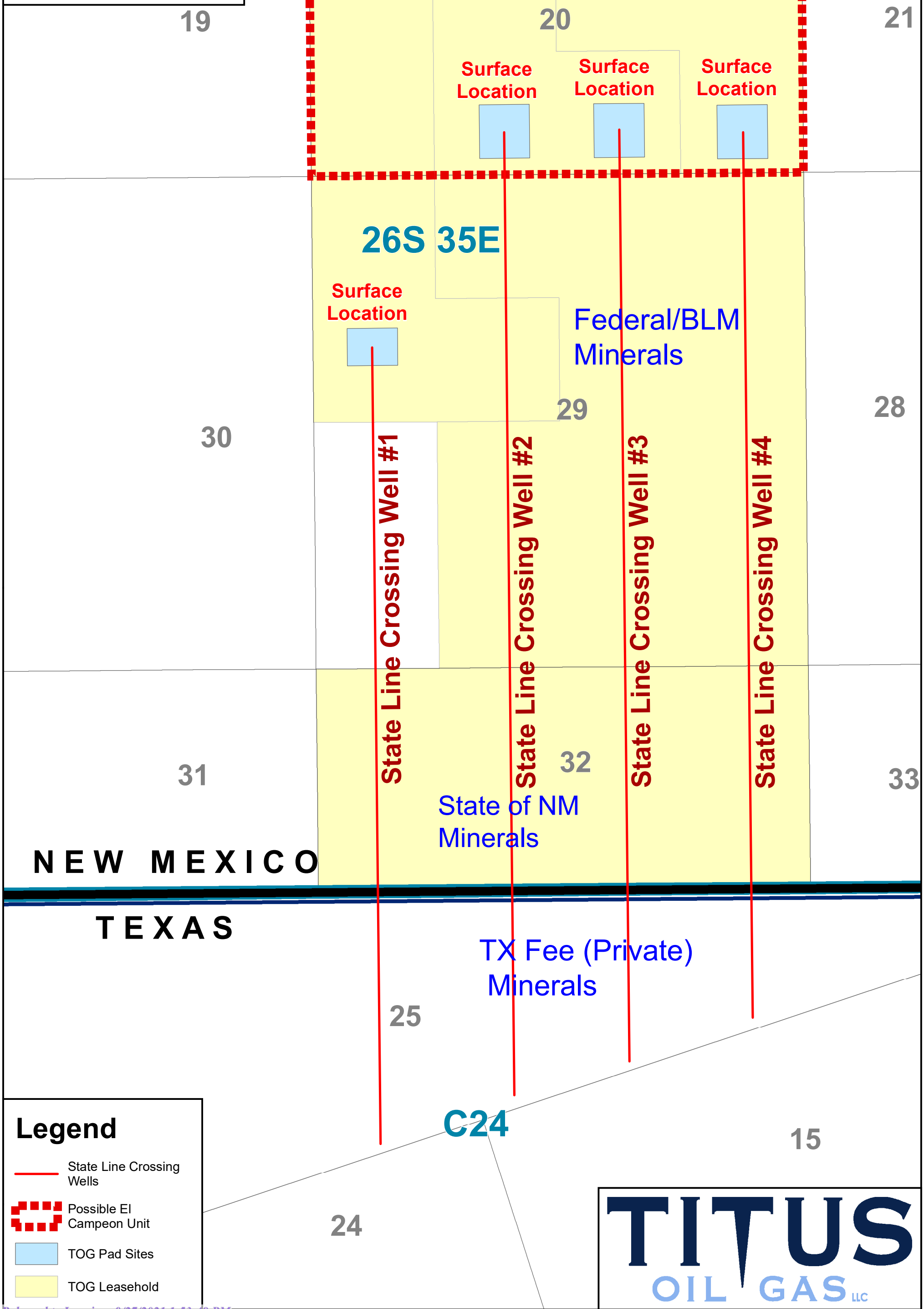
This email has been scanned by the Symantec Email Security.cloud service.
For more information please visit <http://www.symanteccloud.com>

El Campeon State Line PoD




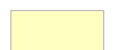
Lea County, New Mexico



Possible El Campeon Federal Unit



Legend

-  State Line Crossing Wells
-  Possible El Campeon Unit
-  TOG Pad Sites
-  TOG Leasehold



From: [Ryan DeLong](#)
To: [Walt Jones](#); [Sharon T. Shaheen](#)
Subject: FW: [EXTERNAL] RE: Titus Oil & Gas - TX-NM Multi-State Lateral
Date: Monday, September 20, 2021 2:31:55 PM
Attachments: [image001.jpg](#)

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

From: Ryan DeLong
Sent: Monday, February 22, 2021 9:46 AM
To: Lorenzo Garza <Lorenzo.Garza@rrc.texas.gov>
Subject: RE: [EXTERNAL] RE: Titus Oil & Gas - TX-NM Multi-State Lateral

Lorenzo,

I've submitted RRC drilling permit status number 867822 this morning, 2/22/2021. No doubt there are going to be some adjustments needed, so just let me know what needs to be fixed. This well is going to be co-developed by us and Oxy (Titus will operate). I'm least certain about the P-16 I filed, so as a quick rundown, we want to establish the 49.2 Texas acres as an 'extension' of the NM horizontal spacing unit. The total abstract is 636 acres, but we want this "lease" to just be the 49.2, then there will be three wells within the formation (Phantom WC) drilled within that 49.2 acres.

Once we get this permit how you like it, I'll follow up with the other two in this spacing unit. I appreciate your work on this in advance.

Very Respectfully,

Ryan DeLong

Regulatory Manager

Titus Oil & Gas, LLC

817-852-6370 (office)

405-664-5188 (mobile)

From: Lorenzo Garza <Lorenzo.Garza@rrc.texas.gov>
Sent: Friday, February 19, 2021 9:18 AM
To: Ryan DeLong <rdelong@titusoil.com>
Subject: RE: [EXTERNAL] RE: Titus Oil & Gas - TX-NM Multi-State Lateral

Good Morning Ryan,

After conferring with my colleagues we have come to the conclusion that you wouldn't need to file for a GAU letter. If the Commission permits the well and it is drilled then we would like a copy of the permit issued to you that outlines these requirements with the completion packet you would file with us.

From: Ryan DeLong <rdelong@titusoil.com>
Sent: Wednesday, February 17, 2021 10:10 AM
To: Lorenzo Garza <Lorenzo.Garza@rrc.texas.gov>
Subject: RE: [EXTERNAL] RE: Titus Oil & Gas - TX-NM Multi-State Lateral

CAUTION: This email originated from outside of the Railroad Commission of Texas. Do NOT click links or open attachments from unknown sources without first confirming the message is legitimate. If you believe this to be a malicious and/or phishing email, please

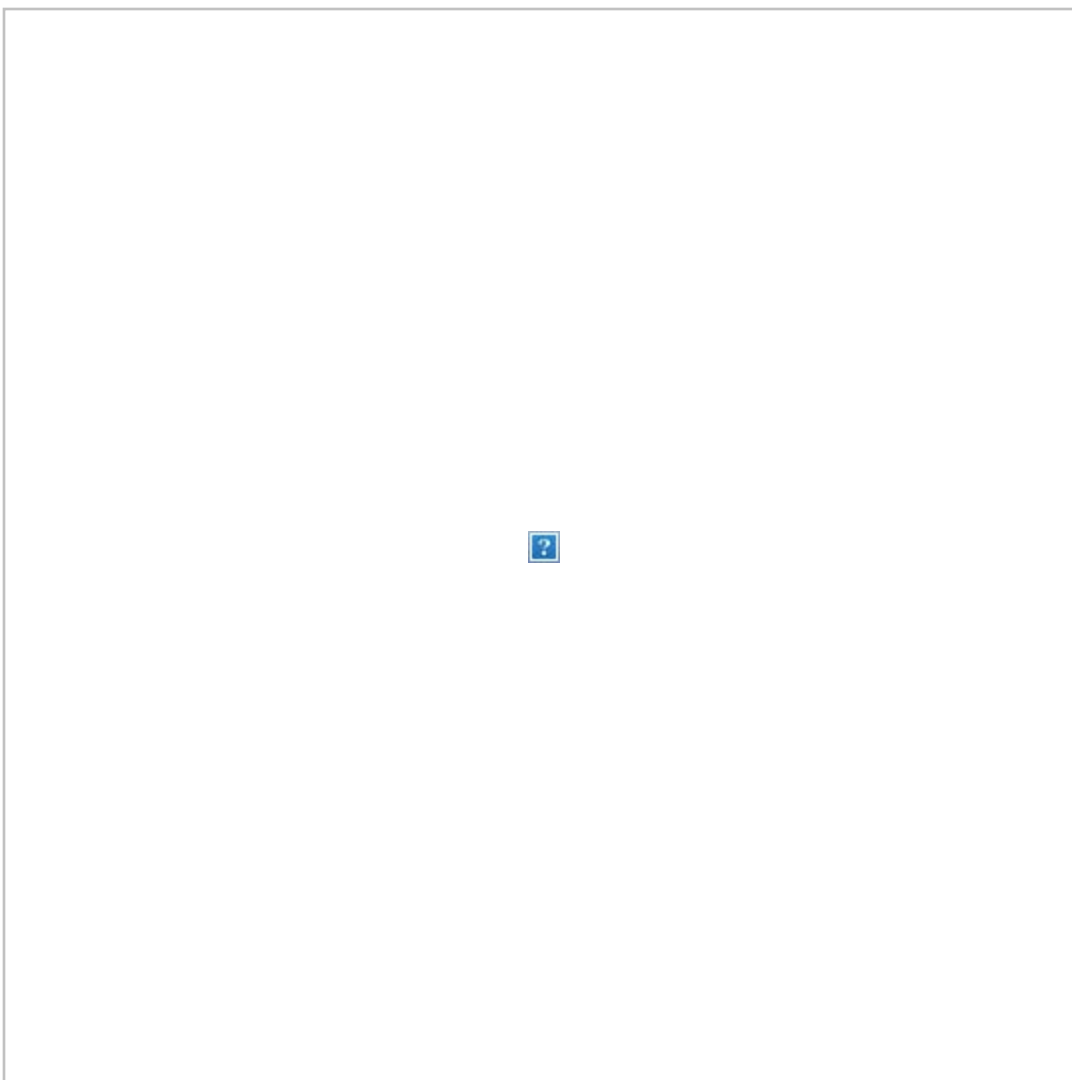
Titus's Rebuttal
Exhibit 12

contact the ITS Help Desk at 512-463-7229. Do not respond to or forward the email, click on any links or open any attachments without guidance from the Help Desk

That review is part of both BLM and NMOCD's process. However, they don't issue a letter for it like the GAU does. They outline their requirement in the drilling conditions of approval. Below is the screenshot for that. I could include the Federal permit COA's in place of the GAU letter if that would satisfy your requirements?

Ryan

405-664-5188



From: Lorenzo Garza <Lorenzo.Garza@rrc.texas.gov>

Sent: Wednesday, February 17, 2021 8:53 AM

To: Ryan DeLong <rdelong@titusoil.com>

Subject: RE: [EXTERNAL] RE: Titus Oil & Gas - TX-NM Multi-State Lateral

Good Morning Ryan,

Hope you have ben staying warm. I am not familiar entirely with the permitting process in New Mexico. Does New Mexico require similar evaluations that the Commission's GAU unit provides to design your surface casing program?

From: Ryan DeLong <rdelong@titusoil.com>

Sent: Friday, February 12, 2021 12:17 PM
To: Lorenzo Garza <Lorenzo.Garza@rrc.texas.gov>
Subject: RE: [EXTERNAL] RE: Titus Oil & Gas - TX-NM Multi-State Lateral

CAUTION: This email originated from outside of the Railroad Commission of Texas. Do NOT click links or open attachments from unknown sources without first confirming the message is legitimate. If you believe this to be a malicious and/or phishing email, please contact the ITS Help Desk at 512-463-7229. Do not respond to or forward the email, click on any links or open any attachments without guidance from the Help Desk

Thank you, sir.

From: Lorenzo Garza <Lorenzo.Garza@rrc.texas.gov>
Sent: Friday, February 12, 2021 12:16 PM
To: Ryan DeLong <rdelong@titusoil.com>
Subject: RE: [EXTERNAL] RE: Titus Oil & Gas - TX-NM Multi-State Lateral

Ryan,
Let me confer with people hear and I will get back to you.

From: Ryan DeLong <rdelong@titusoil.com>
Sent: Friday, February 12, 2021 11:43 AM
To: Lorenzo Garza <Lorenzo.Garza@rrc.texas.gov>
Subject: RE: [EXTERNAL] RE: Titus Oil & Gas - TX-NM Multi-State Lateral

CAUTION: This email originated from outside of the Railroad Commission of Texas. Do NOT click links or open attachments from unknown sources without first confirming the message is legitimate. If you believe this to be a malicious and/or phishing email, please contact the ITS Help Desk at 512-463-7229. Do not respond to or forward the email, click on any links or open any attachments without guidance from the Help Desk

Lorenzo,
Should I file the GAU on the state line where the lateral crosses? Or can we do this without a GAU since the SHL is in 1.5 miles north in NM?
Ryan

From: Lorenzo Garza <Lorenzo.Garza@rrc.texas.gov>
Sent: Tuesday, January 12, 2021 10:14 AM
To: Ryan DeLong <rdelong@titusoil.com>
Subject: [EXTERNAL] RE: Titus Oil & Gas - TX-NM Multi-State Lateral

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Feel free to file your permit and include as an attachment a request for a hearing. That way I will have it if it is necessary for continued processing of the application. When you submit it if you could email me the status number so I can grab it and start running it up the flagpole.

From: Ryan DeLong <rdelong@titusoil.com>
Sent: Monday, January 11, 2021 3:23 PM

To: Lorenzo Garza <Lorenzo.Garza@rrc.texas.gov>

Subject: Titus Oil & Gas - TX-NM Multi-State Lateral

CAUTION: This email originated from outside of the Railroad Commission of Texas. Do NOT click links or open attachments from unknown sources without first confirming the message is legitimate. If you believe this to be a malicious and/or phishing email, please contact the ITS Help Desk at 512-463-7229. Do not respond to or forward the email, click on any links or open any attachments without guidance from the Help Desk

Mr. Garza,

I hope this message finds you well and you enjoyed your holidays. Titus is moving ahead to permit the multi-state lateral across the NM/Texas border. All administrative parties have agreed in theory, now I've been asked to simply send in the sundries and permits so they can begin working through them. As for the RRC, if you determine we need to set up a hearing before the commissioner, I would request we do that immediately. If you think there is a way to handle this administratively in the same fashion we did the back-build permit (SHL/FTP is state line penetration point, LTP/BHL show normally on the plat) then I will start to work through that with your online system. Please let me know at your earliest convenience. This well is scheduled to spud in April, and there are still many things to work through, so time is of the essence.

Very Respectfully,

Ryan DeLong

Regulatory Manager

Titus Oil & Gas, LLC

817-852-6370 (office)

405-664-5188 (mobile)

From: [Ryan DeLong](#)
To: [Sharon T. Shaheen](#); [Walt Jones](#)
Subject: FW: [EXTERNAL] RE: Multi-State Lateral - Prior Efforts
Date: Monday, September 20, 2021 2:33:26 PM

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

From: Lorenzo Garza <Lorenzo.Garza@rrc.texas.gov>
Sent: Tuesday, March 23, 2021 2:14 PM
To: Ryan DeLong <rdelong@titusoil.com>
Subject: [EXTERNAL] RE: Multi-State Lateral - Prior Efforts

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Afternoon Ryan.

The original person we were in contact with was named Scott Dawson. I believe he has been replaced by Adrienne Sandoval. Our talks were geared more to wells completed in one state only and did not contemplate what you are proposing.

From: Ryan DeLong <rdelong@titusoil.com>
Sent: Monday, March 22, 2021 4:22 PM
To: Lorenzo Garza <Lorenzo.Garza@rrc.texas.gov>
Subject: Multi-State Lateral - Prior Efforts

CAUTION: This email originated from outside of the Railroad Commission of Texas. Do NOT click links or open attachments from unknown sources without first confirming the message is legitimate. If you believe this to be a malicious and/or phishing email, please contact the ITS Help Desk at 512-463-7229. Do not respond to or forward the email, click on any links or open any attachments without guidance from the Help Desk

Lorenzo,

You and others have mentioned to me that there were prior Regulatory Agency efforts to establish a process to approve multi-state laterals. I believe you were part of it, and had a counterpart in NM that had moved on to a different role. Do you recall who your NM counterpart was? Any additional info you'd be willing to provide as we pull together our case for both TX and NM hearings?

Thanks in advance

Ryan DeLong
Regulatory Manager
Titus Oil & Gas, LLC
817-852-6370 (office)
405-664-5188 (mobile)

Titus's Rebuttal
Exhibit 13

From: [Ryan DeLong](#)
To: [Walt Jones](#); [Sharon T. Shaheen](#)
Subject: FW: Follow Up to Voicemail
Date: Monday, September 20, 2021 2:42:26 PM
Attachments: [State Line Crossing - Well Examples 12.14.2020.pdf](#)

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

From: Ryan DeLong
Sent: Tuesday, January 5, 2021 10:35 AM
To: sdawson@slo.state.nm.us
Cc: Walt Jones <wjones@titusoil.com>
Subject: Follow Up to Voicemail

Mr. Dawson,

I hope this message finds you well. As stated in my voicemail, Mustafa Haque with the BLM suggested we reach out to you to discuss the administrative process of drilling a multi-state lateral from New Mexico into Texas. Since this includes NM State Lands (see attachment) I wanted to reach out and begin the discussions with you and the SLO. Please feel free to contact me via phone or email at your earliest convenience. Titus intends on spudding this well in early April (we have an approved Federal APD that would be sundried to extend into TX), so time is of the essence. We very much look forward to talking with you, and appreciate your guidance in advance. We also remain available to travel to Santa Fe should the discussion warrant more of a brainstorming session...many of the stakeholders are located in Santa Fe.

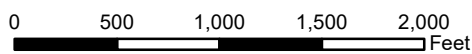
Very Respectfully,

Ryan DeLong
Regulatory Manager
Titus Oil & Gas, LLC
817-852-6370 (office)
405-664-5188 (mobile)

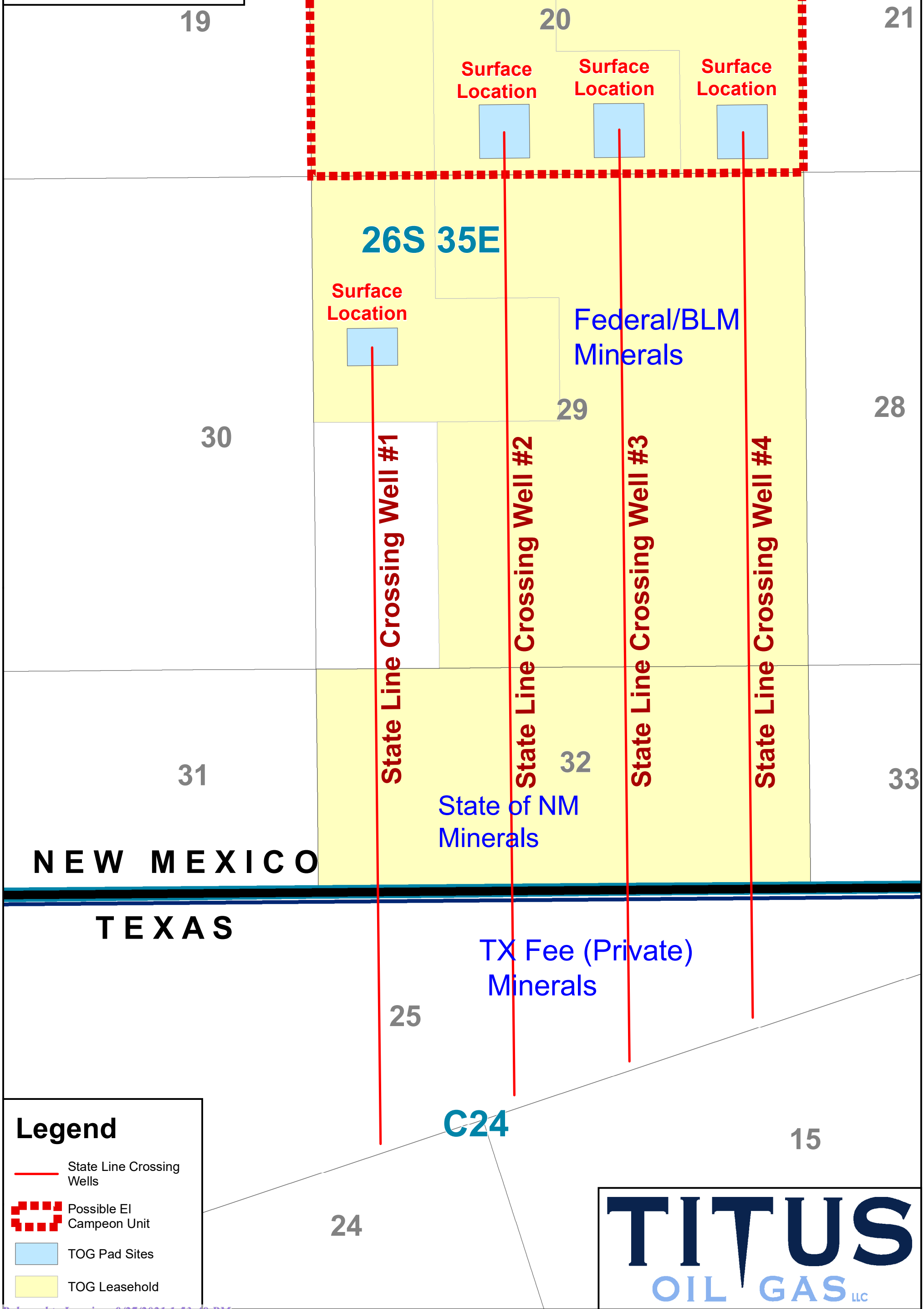
Titus's Rebuttal
Exhibit 14

El Campeon State Line PoD




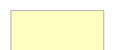
Lea County, New Mexico



Possible El Campeon Federal Unit



Legend

-  State Line Crossing Wells
-  Possible El Campeon Unit
-  TOG Pad Sites
-  TOG Leasehold



VICTOR G. CARRILLO, CHAIRMAN
CHARLES R. MATTHEWS, COMMISSIONER
MICHAEL L. WILLIAMS, COMMISSIONER



RICHARD A. VARELA
DIRECTOR, OIL AND GAS DIVISION

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

October 22, 2004

Mr. James H. Welsh
Commissioner of Conservation
Department of Natural Resources
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

Re: Signed Memorandum of Understanding (MOU) between the Louisiana DNR Office of Conservation and the RRC Oil and Gas Division Regarding Reciprocal Notification Prior to Certain Oil and Gas Activity Near the Boundary between the States

Dear Commissioner Welsh:

Attached is one signed original of the subject MOU for your records. We retained one of the signed originals for our records.

We agree that this MOU will benefit both Texas and Louisiana by enhancing our respective environmental protection efforts. Please advise if you need anything further from this office.

Sincerely,

Richard A. Varela, Director
Oil and Gas Division

js

Attachment: Signed MOU

Cc: Tommie Seitz
Rich Varela
Charlie Ross
David Cooney
Douglas Johnson
Leslie Savage
Susan Moore

Titus's Rebuttal
Exhibit 15

MEMORANDUM OF UNDERSTANDING
 BETWEEN
 LOUISIANA DEPARTMENT OF NATURAL RESOURCES
 OFFICE OF CONSERVATION
 AND
 OIL AND GAS DIVISION
 RAILROAD COMMISSION OF TEXAS
 REGARDING
 RECIPROCAL NOTIFICATION TO LOUISIANA AND TEXAS PRIOR
 TO CERTAIN OIL AND GAS ACTIVITY NEAR THE STATE BOUNDARY

The Louisiana Department of Natural Resources (DNR), through its offices and officers, is responsible for the conservation, management, and development of natural resources, such as crude oil and natural gas, within the boundaries of the State of Louisiana (LSA-R.S. 36:351), and,

The Louisiana Department of Natural Resources, Office of Conservation (DNR/OC) is authorized by State law and regulations to protect underground sources of drinking water from endangerment by subsurface injection and disposal operations associated with oil and gas exploration and production within the boundaries of the State of Louisiana (LSA-R.S. 30:1 st seq), and,

The RAILROAD COMMISSION OF TEXAS (RRC), through its offices and officers, is responsible for the conservation, management, and development of natural resources, such as crude oil and natural gas, within the boundaries of the State of Texas (Texas Natural Resources Code, Section 81.051), and,

The Oil and Gas Division of the RAILROAD COMMISSION OF TEXAS (RRC), is authorized by State law and regulations to protect underground sources of drinking water from endangerment by subsurface injection and disposal operations associated with oil and gas exploration and production within the boundaries of the State of Texas (Texas Natural Resources Code, Section 91.101 and 16 Texas Administrative Code Sections 3.9 and 3.46), and

Subsurface injection and disposal operations associated with oil and gas exploration and production are of great interest and importance to both the States of Louisiana and Texas and such activities within one(1) mile of the border between the States of Louisiana and Texas have the theoretical potential to impact the neighboring state, and,

Timely notice and opportunity for input regarding any proposed subsurface injection and disposal operations associated with oil and gas exploration and production are considered to be in the best interests of both the State of Louisiana and the State of Texas.

The following MEMORANDUM OF UNDERSTANDING is hereby adopted to outline agency responsibilities regarding cooperation, notice and opportunity for input for proposed subsurface injection and disposal operations associated with oil and gas exploration and production, as follows:

1. Each agency will provide written notice to the other at least fifteen(15) days prior to any approval of such proposed projects. Such notice may be by certified letter, fax or by e-mail to the persons listed herein:

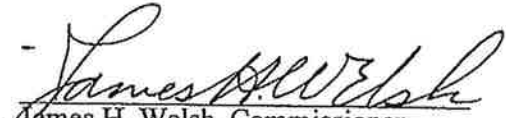
For DNR/OC: Commissioner of Conservation, P.O. Box 94275, Baton Rouge, LA 70804-9275.
 Phone Number: (225)342-5500 FAX: (225)342-3705

For RRC: Director of the Oil and Gas Division, Railroad Commission of Texas, P.O. Box 12967,
 Austin, Texas 78711-2967
 Phone Number: (512) 463-6810 FAX: (512) 463-6780

2. If Texas objects to the proposed activity, the matter shall be handled pursuant to the provisions of LAC 43:XIX.409(C), or other applicable law.
3. If Louisiana objects to the proposed activity, the matter shall be handled pursuant to the provisions of 16 TAC Section 3.9(a)(5)(E) and 16 TAC Section 3.46(c)(5).

MOU - DNR, Office of Conservation
And Railroad Commission of Texas
Page 2

This MEMORANDUM OF UNDERSTANDING is subject to revision upon agreement by both agencies, or cancellation by either agency preceded by 30 day written notification to the other agency by certified mail.


James H. Welsh, Commissioner
Office of Conservation
Department of Natural Resources

Date 9/27/2004


Richard A. Varela, Director
Oil and Gas Division
Railroad Commission of Texas

Date 10/22/2004