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

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21204, LEA COUNTY, NEW MEXICO

Case No. 22552 Order No. R-21204 (Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21205, LEA COUNTY, NEW MEXICO

Case No. 22553 Order No. R-21205 (Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21206, LEA COUNTY, NEW MEXICO

Case No. 22556 Order No. R-21206 (Re-Open)



Pakse South

24-25-36 Fed Com 111H, 112H, 321H, & 322H 24-25 Fed Com 221H & 222H

March 3, 2022

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

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21204, LEA COUNTY, NEW MEXICO

Case No. 22552 Order No. R-21204

(Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21205, LEA COUNTY, NEW MEXICO

Case No. 22553

Order No. R-21205

(Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21206, LEA COUNTY, NEW MEXICO

Case No. 22556 Order No. R-21206

(Re-Open)

AFFIDAVIT OF WALTER JONES

- I, being duly sworn on oath, state the following:
- 1. I am over the age of 18, and have the capacity to execute this Affidavit, which is based on my personal knowledge.
- 2. I am a landman employed as Vice President of Land with Titus Oil & Gas Production, LLC ("Titus"), and I am familiar with the subject 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 previously. My education and work experience are as follows: I graduated from the University of Mississippi in 2005 with a business

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Exhibit A

Titus Oil & Gas Production

NM OCD Case Nos. 22552, 22553, & 22556

March 3, 2022

degree in marketing. From 2007 through 2009, I worked as an independent landman for a broker in the Barnett Shale in the Fort Worth area. From 2009 to 2017, I worked for BOPCO, LP, overseeing assets predominately in Eddy and Lea Counties, New Mexico. I have been with Titus from 2017 to present. I have been working on New Mexico oil and gas matters for approximately 11 years.

- 5. The purpose of these Applications is to amend Order Nos. R-21204, R-21205, and R-21206 previously issued in Case Nos. 20897, 20898, and 20899, respectively, to extend the time for drilling the following wells:
 - a. The Pakse South 24-25-36 Fed Com 111H well ("Pakse South 111H Well")
 and the Pakse South 24-25-36 Fed Com 112H well ("Pakse South 112H Well")
 Well") approved in Order No. R-21204-A entered in Case No. 21687;
 - b. The Pakse South 24-25 Fed Com 221H well ("Pakse South 221H Well") and the Pakse South 24-25 Fed Com 222H well ("Pakse South 222H Well") approved in Order No. R-21205-A entered in Case No. 21688; and
 - c. The Pakse South 24-25-36 Fed Com 321H well ("Pakse South 321H Well") and the Pakse South 24-25-36 Fed Com 322H well ("Pakse South 322H Well") approved in Order No. R-21206-A entered in Case No. 21689.
 - 6. The pertinent Applications are attached as follows:
 - a. Case No. 22552, regarding amending Order No. 21204 (previous Case No. 20897) for the Pakse South 111H Well and the Pakse South 112H Well, is attached as Exhibit 1-A;

- b. Case No. 22553, regarding amending Order No. 21205 (previous Case No. 20898) for the Pakse South 221H Well and the Pakse South 222H Well, is attached as Exhibit 1-B; and
- c. Case No. 22556, regarding amending Order No. 21206 (previous Case No. 20899) for the Pakse South 321H Well and the Pakse South 322H Well, is attached as Exhibit 1-C.
- 7. **Order No. R-21204** pooled uncommitted interest owners in the First Bone Spring formation (Salt Lake [53560]) in a standard 800-acre, more or less, horizontal spacing unit ("HSU") comprised of the W/2 of Sections 24 and 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico, dedicated to the Pakse South 111H Well and the Pakse South 112H Well. Order No. R-21204 is attached as **Exhibit 2-A**.
- 8. **Order No. R-21205** pooled uncommitted interest owners in the Second Bone Spring formation (Salt Lake [53560]) in a standard 640-acre, more or less, horizontal spacing unit ("HSU") comprised of the W/2 of Sections 24 and 25, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico, dedicated to the Pakse South 221H Well and the Pakse South 222H Well. Order No. R-21205 is attached at **Exhibit 2-B**.
- 9. **Order No. R-21206** pooled uncommitted interest owners in the Third Bone Spring formation (Salt Lake [53560]) in a standard 800-acre, more or less, horizontal spacing unit ("HSU") comprised of the W/2 of Sections 24 and 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico, dedicated to the Pakse South 321H Well and the Pakse South 322H Well. Order No. R-21206 is attached at **Exhibit 2-C**.
- 10. The Orders designated Titus as the operator of the above-referenced wells and HSUs.

- 11. Titus is a working interest owner in the HSUs and has the right to drill thereon.
- 12. In Order No. 21204-A, entered in Case No. 21687, the Division granted Titus an extension to commence drilling the Pakse South 111H Well and the Pakse South 112H Well until April 7, 2022. Order No. 21204-A is attached as **Exhibit 3-A**.
- 13. In Order No. 21205-A, entered in Case No. 21688, the Division granted Titus an extension to commence drilling the Pakse South 221H Well and the Pakse South 222H Well until April 7, 2022. Order No. 21205-A is attached as **Exhibit 3-B**.
- 14. In Order No. 21206-A, entered in Case No. 21689, the Division granted Titus an extension to commence drilling the Pakse South 321H Well and the Pakse South 322H Well until April 7, 2022. Order No. 21206-A is attached as **Exhibit 3-C**.
- 15. Titus requests the Division to re-open these matters to extend the time to commence drilling the above-referenced wells to be no later than April 7, 2023, which will be a one-year extension from the time to commence drilling granted in Order Nos. R-21204-A, R-21205-A, and R-21206-A.
- 16. The Division Hearings in original Case Nos. 20897, 20898, and 20899 were held on February 20, 2020.
- 17. The Division entered Order Nos. R-21204 (Case No. 20897), R-21205 (Case No. 20898), and R-21206 (Case No. 20899) on April 7, 2020.
- 18. Order Nos. R-21204, R-21205, and R-21206, ¶ 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 Nos. R-21204, R-21205, and R-21206, ¶ 20 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."

- 19. The Division Hearings in Case Nos. 21687, 21688, and 21689, regarding the first extension of time to drill, were held on March 4, 2021.
- The Division entered Order Nos. R-21204-A (Case No. 21687), R-21205-A (Case No. 21688), and R-21206-A (Case No. 21689) on March 23, 2021.
- 21. In Order No. R-21204-A, ¶ 7 (entered March 23, 2021), the Division extended the time for drilling to April 7, 2022. Order No. R-21204-A, ¶ 8 states, "This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-21204 for good cause shown."
- 22. In Order No. R-21205-A, ¶ 7 (entered March 23, 2021), the Division extended the time for drilling to April 7, 2022. Order No. R-21205-A, ¶ 8 states, "This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-21205 for good cause shown."
- 23. In Order No. R-21206-A, ¶ 7 (entered March 23, 2021), the Division extended the time for drilling to April 7, 2022. Order No. R-21206-A, ¶ 8 states, "This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-21206 for good cause shown."
- 24. Under Order Nos. R-21204-A, R-21205-A, and R-21206-A, Titus would be required to commence drilling the above-referenced wells by April 7, 2022.
 - 25. Good cause exists for the Division to grant the extensions.
- 26. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to current labor shortages and supply chain issues resulting from COVID-19

policies, as well as delays caused by the particular surface challenges associated with the potash area.

- 27. Titus is in good standing under the statewide rules and regulations.
- 28. Titus notified all parties pooled under Order Nos. R-21204, R-21205, and R-21206 regarding the requests to re-open these matters to amend the orders for the purposes stated herein. A sample notice letter is attached hereto as **Exhibit 4**. No parties entered appearances in these matters and no opposition is expected. Proof of notification, including proof of publication, can be found at Tab 2 of the exhibit package.
- 29. Titus incorporates all exhibits provided and admitted into the record at the hearing for the original Case Nos. 20897, 20898, and 20899 by reference herein and for Case Nos. 21687, 21688, and 21689, wherein Titus sought the first extension of time to drill these wells.
- 30. Titus is not requesting changes to any provisions in Order Nos. R-21204, R-21205, and R-21206, R-21204-A, R-21205-A, and R-21206-A, other than the changes requested herein, and asks that all other rights and privileges granted to Titus in the Orders remain the same.
- 31. The Exhibits to this Affidavit were prepared by me, or compiled from Titus's business records.
- 32. The granting of these Applications is in the interests of conservation, the prevention of waste, and the protection of correlative rights.
 - 33. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER.	AFFIANT	CAVETH	NAUGHT	ſ

Walter P. Jones

STATE OF TEXAS

)ss

COUNTY OF TARRANT

Subscribed to and sworn before me this 15th day of March, 2022.

REED BRUNETTE
Notary Public, State of Texas
Comm. Expires 11-15-2022
Notary ID 131798223

Notary Public

My Commission expires 11/15/2022

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

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21204, LEA COUNTY, NEW MEXICO

Case No. _____ Order No. R-21204 (Re-Open)

APPLICATION

Titus Oil & Gas Production, LLC, OGRID No. 373986 ("Titus"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and Troy S. Lawton), hereby files this application with the Oil Conservation Division to amend Order No. R-21204 entered in Case No. 20897 to extend the time for drilling (1) the **Pakse South 24-25-36 Fed Com 111H** well ("Pakse South 111H Well") and (2) the **Pakse South 24-25-36 Fed Com 112H** well ("Pakse South 112H Well") approved in Order No. R-21204-A entered in Case No. 21687. In support of its application, Titus states as follows:

- 1. Order No. R-21204 pooled uncommitted interest owners in the First Bone Spring formation (Salt Lake; First Bone Spring [53560]) in a standard 800-acre, more or less, horizontal spacing unit ("HSU") comprised of the W/2 of Sections 24 and 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico, dedicated to the Pakse South 111H and the Pakse South 112H Wells.
 - 2. Titus is a working interest owner in the HSU and has the right to drill thereon.

Exhibit 1-A
Titus Oil & Gas Production
NM OCD Case Nos. 22552, 22553, & 22556
March 3, 2022

¹ Order No. R-21204 entered in Case No. 20897 is one of three orders relating to Titus's "Pakse South" well group. By separate applications, Titus is seeking to amend Order No. R-21205 entered in Case No. 20898 and Order No. R-21206 entered in Case No. 20899.

- 3. Order No. R-21204 designated Titus as the operator of the Pakse South 111H Well, the Pakse South 112H Well, and the HSU.
- 4. In Order No. 21204-A, the Division granted Titus an extension to commence drilling the Pakse South 111H and the Pakse South 112H Wells until April 7, 2022.
- 5. Titus requests the Division re-open the matter to extend the time to commence drilling the Pakse South 111H and the Pakse South 112H Wells to be no later than April 7, 2023, which will be a one-year extension from the time to commence drilling approved in Order No. R-21204-A.
- 6. The Division Hearing in the original proceeding, Case No. 20897, was held on February 20, 2020.
 - 7. The Division entered Order No. R-21204 in Case No. 20897 on April 7, 2020.
- 8. Order No. R-21204, ¶ 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-21204, ¶ 20 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."
- 9. In Order No. 21204-A, ¶ 7, the Division extended the time for drilling to April 7, 2022. Order No. R-21204-A, ¶ 8 states: "This Order shall terminate automatically if Operator fails to comply with paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-21204 for good cause shown."
- 10. Under Order No. R-21204-A, Titus would be required to commence drilling the wells by April 7, 2022.
 - 11. Good cause exists for the Division to grant the extension.

12. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to current labor shortages and supply chain issues resulting from COVID-19 policies, as well as delays caused by the particular surface challenges associated with the potash area.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 3, 2022, and that, after notice and hearing as required by law, the Division enter an order amending Order No. R-21204 to extend the time to commence drilling (1) the Pakse South 111H Well and (2) the Pakse South 112H Well to be no later than April 7, 2023.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen
Sharon T. Shaheen
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Attorneys for Titus Oil & Gas Production, LLC

Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21204, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 20897 for the limited purpose of amending Order No. R-21204 to extend to April 7, 2023, the time to commence drilling (1) the Pakse South 24-25-36 Fed Com 111H well and (2) the Pakse South 24-25-36 Fed Com 112H well, proposed to be drilled into the First Bone Spring formation (Salt Lake; First Bone Spring [53560]) underlying the W/2 of Sections 24 and 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico. The wells and lands are located approximately 33 miles east of Carlsbad, New Mexico.

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

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21205, LEA COUNTY, NEW MEXICO

Case No. _____Order No. R-21205 (Re-Open)

APPLICATION

Titus Oil & Gas Production, LLC, OGRID No. 373986 ("Titus"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and Troy S. Lawton), hereby files this application with the Oil Conservation Division to amend Order No. R-21205 entered in Case No. 20898 to extend the time for drilling (1) the **Pakse South 24-25 Fed Com 221H** well ("Pakse South 221H Well") and (2) the **Pakse South 24-25 Fed Com 222H** well ("Pakse South 222H Well") approved in Order No. R-21205-A entered in Case No. 21688. In support of its application, Titus states as follows:

- 1. Order No. R-21205 pooled uncommitted interest owners in the Second Bone Spring formation (Salt Lake; Second Bone Spring [53560]) in a standard 640-acre, more or less, horizontal spacing unit ("HSU") comprised of the W/2 of Sections 24 and 25, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico, dedicated to the Pakse South 221H and the Pakse South 222H Wells.
 - 2. Titus is a working interest owner in the HSU and has the right to drill thereon.
- 3. Order No. R-21205 designated Titus as the operator of the Pakse South 221H Well, the Pakse South 222H Well, and the HSU.

Exhibit 1-B

¹ Order No. R-21205 entered in Case No. 20898 is one of three orders relating to Titus's "Pakse South" well group. By separate applications, Titus is seeking to amend Order No. R-21204 entered in Case No. 20897 and Order No. R-21206 entered in Case No. 20899.

- 4. In Order No. 21205-A, the Division granted Titus an extension to commence drilling the Pakse South 221H and the Pakse South 222H Wells until April 7, 2022.
- 5. Titus requests the Division re-open the matter to extend the time to commence drilling the Pakse South 221H and the Pakse South 222H Wells to be no later than April 7, 2023, which will be a one-year extension from the time to commence drilling approved in Order No. R-21205-A.
- 6. The Division Hearing in the original proceeding, Case No. 20898, was held on February 20, 2020.
 - 7. The Division entered Order No. R-21205 in Case No. 20898 on April 7, 2020.
- 8. Order No. R-21205, ¶ 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-21205, ¶ 20 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."
- 9. In Order No. R-21205-A, 7, the Division extended the time for drilling to April 7, 2022. Order No. R-21205-A, ¶ 8 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-21205 for good cause shown."
- 10. Under Order No. R-21205-A, Titus would be required to commence drilling the wells by April 7, 2022.
 - 11. Good cause exists for the Division to grant the extension.
- 12. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to current labor shortages and supply chain issues resulting from COVID-19

policies, as well as delays caused by the particular surface challenges associated with the potash area.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 3, 2022, and that, after notice and hearing as required by law, the Division enter an order amending Order No. R-21205 to extend the time to commence drilling (1) the Pakse South 221H Well and (2) the Pakse South 222H Well to be no later than April 7, 2023.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen
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Attorneys for Titus Oil & Gas Production, LLC

Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21205, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 20898 for the limited purpose of amending Order No. R-21205 to extend to April 7, 2023, the time to commence drilling (1) the Pakse South 24-25 Fed Com 221H well and (2) the Pakse South 24-25 Fed Com 222H well, proposed to be drilled into the Second Bone Spring formation (Salt Lake; Second Bone Spring [53560]) underlying the W/2 of Sections 24 and 25, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico. The wells and lands are located approximately 33 miles east of Carlsbad, New Mexico.

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

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND **ORDER NO. R-21206,** LEA COUNTY, NEW MEXICO

Case No	
Order No.	R-21206
(Re-Open))

APPLICATION

Titus Oil & Gas Production, LLC, OGRID No. 373986 ("Titus"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and Troy S. Lawton), hereby files this application with the Oil Conservation Division to amend Order No. R-21206 entered in Case No. 20899 to extend the time for drilling (1) the **Pakse South 24-25-36 Fed Com 321H** well ("Pakse South 321H Well") and (2) the Pakse South 24-25-36 Fed Com 322H well ("Pakse South 322H Well") approved in Order No. R-21206-A entered in Case No. 21688.¹ In support of its application, Titus states as follows:

- 1. Order No. R-21206 pooled uncommitted interest owners in the Third Bone Spring formation (Salt Lake; Third Bone Spring [53560]) in a standard 800-acre, more or less, horizontal spacing unit ("HSU") comprised of the W/2 of Sections 24 and 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico, dedicated to the Pakse South 321H and the Pakse South 322H Wells.
 - 2. Titus is a working interest owner in the HSU and has the right to drill thereon.
- Order No. R-21206 designated Titus as the operator of the Pakse South 321H Well, 3. the Pakse South 322H Well, and the HSU.

Exhibit 1-C

¹ Order No. R-21206 entered in Case No. 20899 is one of three orders relating to Titus's "Pakse South" well group. By separate applications, Titus is seeking to amend Order No. R-21204 entered in Case No. 20897 and Order No. R-21205 entered in Case No. 20898.

- 4. In Order No. 21206-A, the Division granted Titus an extension to commence drilling the Pakse South 321H and the Pakse South 322H Wells until April 7, 2022.
- 5. Titus requests the Division re-open the matter to extend the time to commence drilling the Pakse South 321H and the Pakse South 322H Wells to be no later than April 7, 2023, which will be a one-year extension from the time to commence drilling approved in Order No. R-21206-A.
- 6. The Division Hearing in the original proceeding, Case No. 20899, was held on February 20, 2020.
 - 7. The Division entered Order No. R-21206 in Case No. 20899 on April 7, 2020.
- 8. Order No. R-21206, ¶ 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-21206, ¶ 20 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."
- 9. In Order No. 21204-A, ¶ 7, the Division extended to time for drilling to April 7, 2022. Order No. R-21206-A, ¶ 8 states: "This Order shall terminate automatically if Operator fails to comply with paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-21206 for good cause shown."
- 10. Under Order No. R-21206-A, Titus would be required to commence drilling the wells by April 7, 2022.
 - 11. Good cause exists for the Division to grant the extension.
- 12. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to current labor shortages and supply chain issues resulting from COVID-19

policies, as well as delays caused by the particular surface challenges associated with the potash area.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 3, 2022, and that, after notice and hearing as required by law, the Division enter an order amending Order No. R-21206 to extend the time to commence drilling (1) the Pakse South 321H Well and (2) the Pakse South 322H Well to be no later than April 7, 2023.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen
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Attorneys for Titus Oil & Gas Production, LLC

Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21206, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 20899 for the limited purpose of amending Order No. R-21206 to extend to April 7, 2023, the time to commence drilling (1) the Pakse South 24-25-36 Fed Com 321H well and (2) the Pakse South 24-25-36 Fed Com 322H well, proposed to be drilled into the Third Bone Spring formation (Salt Lake; Third Bone Spring [53560]) underlying the W/2 of Sections 24 and 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico. The wells and lands are located approximately 33 miles east of Carlsbad, New Mexico.

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. 20897 ORDER NO. R-21204

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on February 20th, 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 compulsorily 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.

 Exhibit 2-A

Titus Oil & Gas Production NM OCD Case Nos. 22552, 22553, & 22556 March 3, 2022

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- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 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 an amendment of 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.

CASE NO. 20897 ORDER NO. R-21204

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- 22. Operator shall submit to 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 OCD and 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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or 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 OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the

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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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or 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 OCD and 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

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abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.

4/07/2020

35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

Date: ____

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/kms

CASE NO. 20897 ORDER NO. R-21204

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EXHIBIT "A"

Applicant: <u>Titus Oil & Gas Production, LLC</u>

Operator: <u>Titus Oil & Gas Production, LLC (OGRID 373986)</u>

Spacing Unit: <u>Horizontal Oil</u>

Building Blocks: <u>quarter-quarter sections</u>
Spacing Unit Size: <u>800</u> acres, more or less

Orientation of Unit: North to South

Spacing Unit Description:

W/2 of Sections 24 and 25 & the NW/4 of Section 36,

Township 20 South, Range 32 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: First Bone Spring Formation

Depth Severance? (Yes/No): No

Pool: Salt Lake (Pool code 53560)
Pool Spacing Unit Size: quarter-quarter sections
Governing Well Setbacks: Horizontal Oil Well Rules
Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$8000 While producing: \$800 As the charge for risk, 200 percent of reasonable well costs.

Proposed Wells:

Pakse South 24-25-36 Fed Com 111H, API #30-025-PENDING

SHL: 275 feet from the North line and 1030 feet from the West line, (Unit D) of Section 24, Township 20 South, Range 32 East, NMPM. BHL: 2650 feet from the South line and 1030 feet from the West line, (Unit E) of Section 36, Township 20 South, Range 32 East, NMPM.

Completion Target: First Bone Spring at approx. 9,106 feet TVD.

Well Orientation: North to South

Completion Location expected to be: standard

Pakse South 24-25-36 Fed Com 112H API, #30-025-PENDING

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SHL: 275 feet from the North line and 2310 feet from the West line, (Unit C) of Section 24, Township 20 South, Range 32 East, NMPM. BHL: 2650 feet from the South line and 2310 feet from the West line, (Unit F) of Section 36, Township 20 South, Range 32 East, NMPM.

Completion Target: First Bone Spring at approx. 9,121 feet TVD.

Well Orientation: North to South

Completion Location expected to be: standard

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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. 20898 ORDER NO. R-21205

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on February 20th, 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 compulsorily 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-
- 7. Operator is the owner of an oil and gas working interest within the Unit.

Exhibit 2-B
Titus Oil & Gas Production
NM OCD Case Nos. 22552, 22553, & 22556
March 3, 2022

- 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.
- 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.

CASE NO. 20898 ORDER NO. R-21205

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- 20. 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.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit to 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 OCD and 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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or 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

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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 OCD and 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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or 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 OCD and each owner of a Non-Consenting

CASE NO. 20898 ORDER NO. R-21205

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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/kms **Date:** 4/07/2020

CASE NO. 20898 ORDER NO. R-21205

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EXHIBIT "A"

Applicant: <u>Titus Oil & Gas Production, LLC</u>

Operator: <u>Titus Oil & Gas Production, LLC (OGRID 373986)</u>

Spacing Unit: <u>Horizontal Oil</u>

Building Blocks: <u>quarter-quarter sections</u>
Spacing Unit Size: <u>640</u> acres, more or less

Orientation of Unit: North to South

Spacing Unit Description: W/2 of Sections 24 and 25,

Township 20 South, Range 32 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Second Bone Spring Formation

Depth Severance? (Yes/No): No

Pool: Salt Lake (Pool code 53560)
Pool Spacing Unit Size: quarter-quarter sections
Governing Well Setbacks: Horizontal Oil Well Rules
Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$8000 While producing: \$800 As the charge for risk, 200 percent of reasonable well costs.

Proposed Wells:

Pakse South 24-25 Fed Com 221H API, #30-025-PENDING

SHL: 250 feet from the North line and 1030 feet from the West line, (Unit D) of Section 24, Township 20 South, Range 32 East, NMPM. BHL: 100 feet from the South line and 1030 feet from the West line, (Unit M) of Section 25, Township 20 South, Range 32 East, NMPM.

Completion Target: Second Bone Spring at approx. 10,032 feet TVD.

Well Orientation: North to South

CASE NO. 20898 ORDER NO. R-21205

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Completion Location expected to be: standard

Pakse South 24-25 Fed Com 222H API, #30-025-PENDING

SHL: 250 feet from the North line and 2310 feet from the West line, (Unit C) of Section 24, Township 20 South, Range 32 East, NMPM. BHL: 100 feet from the South line and 2310 feet from the West line, (Unit N) of Section 25, Township 20 South, Range 32 East, NMPM.

Completion Target: Second Bone Spring at approx. 10,059 feet TVD.

Well Orientation: North to South

Completion Location expected to be: standard

CASE NO. 20898 ORDER NO. R-21205

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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. 20899 ORDER NO. R-21206

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on February 20th, 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 compulsorily 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.

 Exhibit 2-C

Titus Oil & Gas Production NM OCD Case Nos. 22552, 22553, & 22556 March 3, 2022

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 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 an amendment of 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.

CASE NO. 20899 ORDER NO. R-21206

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- 22. Operator shall submit to 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 OCD and 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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or 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 OCD and each owner of a Pooled Working Interest

CASE NO. 20899 ORDER NO. R-21206

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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 OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or 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 OCD and 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.*

CASE NO. 20899 ORDER NO. R-21206

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- 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/kms

Date: 4/07/2020

CASE NO. 20899 ORDER NO. R-21206

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EXHIBIT "A"

Applicant: <u>Titus Oil & Gas Production, LLC</u>

Operator: <u>Titus Oil & Gas Production, LLC (OGRID 373986)</u>

Spacing Unit: <u>Horizontal Oil</u>

Building Blocks: <u>quarter-quarter sections</u>
Spacing Unit Size: 800 acres, more or less

Orientation of Unit: North to South

Spacing Unit Description:

W/2 of Sections 24 and 25 & the NW/4 of Section 36,

Township 20 South, Range 32 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Third Bone Spring Formation

Depth Severance? (Yes/No): No

Pool: Salt Lake (Pool code 53560)
Pool Spacing Unit Size: quarter-quarter sections
Governing Well Setbacks: Horizontal Oil Well Rules
Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$8000 While producing: \$800 As the charge for risk, 200 percent of reasonable well costs.

Proposed Wells:

Pakse South 24-25-36 Fed Com 321H, API #30-025-PENDING

SHL: 225 feet from the North line and 1030 feet from the West line, (Unit D) of Section 24, Township 20 South, Range 32 East, NMPM. BHL: 2650 feet from the South line and 1030 feet from the West line, (Unit E) of Section 36, Township 20 South, Range 32 East, NMPM.

Completion Target: Third Bone Spring at approx. 11,101 feet TVD.

Well Orientation: North to South

Completion Location expected to be: standard

Pakse South 24-25-36 Fed Com 322H, API #30-025-PENDING

CASE NO. 20899 ORDER NO. R-21206

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SHL: 225 feet from the North line and 2310 feet from the West line, (Unit C) of Section 24, Township 20 South, Range 32 East, NMPM. BHL: 2650 feet from the South line and 2310 feet from the West line, (Unit F) of Section 36, Township 20 South, Range 32 East, NMPM.

Completion Target: Third Bone Spring at approx. 11,121 feet TVD.

Well Orientation: North to South

Completion Location expected to be: standard

CASE NO. 20899 ORDER NO. R-21206

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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. 21687 ORDER NO. R-21204-A

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on March 4, 2021, 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") requesting an extension to drill the well(s) as required by Order R-21204.
- 2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
- 3. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 4. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 5. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 6. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

ORDER

- 7. The period to drill the well is extended until April 7, 2022.
- 8. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-21204 for good cause shown.
- 9. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.
- 10. The remaining provisions of Order R-21204 remain in force or effect. Exhibit 3-A

Titus Oil & Gas Production NM OCD Case Nos. 22552, 22553, & 22556

3/23/2021

Date: _____

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/jag

CASE NO. 21687 ORDER NO. R-21204-A

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. 21688 ORDER NO. R-21205-A

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on March 4, 2021, 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") requesting an extension to drill the well(s) as required by Order R-21205.
- 2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
- 3. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 4. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 5. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 6. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

ORDER

- 7. The period to drill the well is extended until April 7, 2022.
- 8. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-21205 for good cause shown.
- 9. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.
- 10. The remaining provisions of Order R-21205 remain in force or effect. Exhibit 3-B

Titus Oil & Gas Production NM OCD Case Nos. 22552, 22553, & 22556 STATE OF NEW MEXICO OIL CONSERVATION DIVISION

3/23/2021

Date: ____

ADRIENNE SANDOVAL DIRECTOR

AES/jag

CASE NO. 21688 ORDER NO. R-21205-A

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. 21689 ORDER NO. R-21206-A

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on March 4, 2021, 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") requesting an extension to drill the well(s) as required by Order R-21206.
- 2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
- 3. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 4. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 5. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 6. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

ORDER

- 7. The period to drill the well is extended until April 7, 2022.
- 8. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-21206 for good cause shown.
- 9. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.
- 10. The remaining provisions of Order R-21206 remain in force or effect. Exhibit 3-C

Titus Oil & Gas Production NM OCD Case Nos. 22552, 22553, & 22556 STATE OF NEW MEXICO OIL CONSERVATION DIVISION

3/23/2021

Date: __

ADRIENNE SANDOVAL DIRECTOR

AES/jag

CASE NO. 21689 ORDER NO. R-21206-A

SHARON T. SHAHEEN

Direct: (505) 986-2678

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

www.montand.com

February 11, 2022

Via U.S. Certified Mail, return receipt requested

TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 22552 – Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21204, Lea County, New Mexico

Case No. 22553 – Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21205, Lea County, New Mexico

Case No. 22556– Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21206, 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 (3) applications with the New Mexico Oil Conservation Division seeking to amend the previous orders issued regarding the proposed wells, to extend the time for drilling as described below. You are receiving this notice because you may have an interest in one or more of these wells.

Case No. 22552. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21204, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 20897 for the limited purpose of amending Order No. R-21204 to extend to April 7, 2023, the time to commence drilling (1) the Pakse South 24-25-36 Fed Com 111H well and (2) the Pakse South 24-25-36 Fed Com 112H well, proposed to be drilled into the First Bone Spring formation (Salt Lake; First Bone Spring [53560]) underlying the W/2 of Sections 24 and 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico.

Case No. 22553. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21205, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 20898 for the limited purpose of amending Order No. R-21205 to extend to April 7, 2023, the time to commence drilling (1) the Pakse South 24-25 Fed Com 221H well and (2) the Pakse South 24-25 Fed Com 222H well, proposed to be drilled into the Second Bone Spring formation (Salt Lake; Second Bone Spring

REPLY TO:

Post Office Box 2307

325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289 Exhibit 4

Titus Oil & Gas Production

NM OCD Case Nos. 22552, 22553, & 22556

March 3, 2022

Santa Fe, New Mexico 87504-2307
Released to Imaging: 3/2/2022 8:03:56 AM

All Interest Owners February 11, 2022 Page 2

[53560]) underlying the W/2 of Sections 24 and 25, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico.

Case No. 22556. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21206, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 20899 for the limited purpose of amending Order No. R-21206 to extend to April 7, 2023, the time to commence drilling (1) the Pakse South 24-25-36 Fed Com 321H well and (2) the Pakse South 24-25-36 Fed Com 322H well, proposed to be drilled into the Third Bone Spring formation (Salt Lake; Third Bone Spring [53560]) underlying the W/2 of Sections 24 and 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, NMPM, in Lea County, 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 **March 3**, **2022** beginning at 8:15 a.m. 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 **February 23, 2022** and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **February 24, 2022**, 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/cp Enclosures

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

INTEREST OWNERS

Working Interest Parties:

Trainer Partners, Ltd. P.O. Box 3788 Midland, TX 79702

Hidden Hills Minerals, LLC 3270 West Main Houston, TX 77098

The Snoddy Oil & Gas Trust P.O. Box 50667 Midland, TX 79710

Sydney Investments, LP 3270 West Main Houston, TX 77098

Topsey, LLC 3270 West Main Houston, TX 77098

Whitten Management Trust 4 Metz Ct.
Midland, TX 79705

COG Operating, LLC 550 W. Texas Ave., Suite 100 Midland, TX 79701

Overriding Royalty Interest Parties:

Trainer Parties, Ltd. P.O. Box 3788 Midland, TX 79702

Rolla R. Hinkle P.O. Box 2292 Roswell, NM 88202

Michael P. Richardson 602 Minnesota St. San Francisco, CA 94107

David P. Wright 5626 Merrimac Ave. Dallas, TX 75206

Whitten Management Trust 4 Metz Ct.
Midland, TX 79705

Mark and Paula McClellan P.O. Box 730 Roswell, NM 88202

James M. Richardson 2039 Harper St. El Cerrito, CA 94530

Brian A. Richardson 233 W. Ottawa Rd. Virginia Beach, VA 23462

Robert J. Wright 2361 Allen St. Dallas, TX 75204

Bourland & Price 510 West Texas Avenue Artesia, NM 88210 Madison M. Hinkle P.O. Box 2292 Roswell, NM 88202

Paula R. Kaufman P.O. Box 309 Glorieta, NM 87535

Mary K. Richardson 1340 N. Great Neck Rd. #1272 Box 360 Virginia Beach, VA 23454

The Snoddy Oil & Gas Trust P.O. Box 50667 Midland, TX 79710

Additional Interested Party:

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

Tab 2.

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

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21206, LEA COUNTY, NEW MEXICO

Case No. 22552 Order No. R-21204 (Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21206, LEA COUNTY, NEW MEXICO

Case No. 22553 Order No. R-21205 (Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21206, LEA COUNTY, NEW MEXICO

Case No. 22556 Order No. R-21206 (Re-Open)

AFFIDAVIT OF NOTICE

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

- I, Sharon T. Shaheen, attorney for Applicant in the above-captioned matters, being first duly sworn, states upon oath the following:
- 2. I caused notice of the applications to be sent by certified mail through the United States Postal Service ("USPS") on February 11, 2022, to all uncommitted interest owners sought to be pooled in this proceeding. Evidence of mailing to all parties is attached hereto as Exhibit A. Notice was also directed to all owners by publication in the Hobbs News-Sun on February 17, 2022, 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.

Exhibit B
Titus Oil & Gas Production
NM OCD Case Nos. 22552, 22553, & 22556
March 3, 2022

3. Titus has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the Application filed herein.

SHARON T. SHAHEEN

SUBSCRIBED AND SWORN to before me on March 2022

Notary Public

My Commission Expires:

6/13/2022

7.5	
2112	U.S. Postal Service [™] CERTIFIED MAIL [®] RECEIPT Domestic Mail Only
3	For delivery information, visit our website at www.usps.com®.
	For delivery information, visit our website at www.usps.tem
11	OFFICIAL USE
	Certified Mail Fee 753
士	Certified Wall Feb/53
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	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

THE SECTION	COMPLETE THIS SECTION ON D	ELIVERY
SENDER: COMPLETE THIS SECTION	A_Signature	1
 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: 	B. Received by (Printed Name) PARICIA WHITEM D. Is delivery address different from If YES, enter delivery address b	C. Date of Delivery 2 15 22 Item 1? Yes elow: No
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PS Form 3811, July 2020 PSN 7530-02-000-9053		

EXHIBIT A

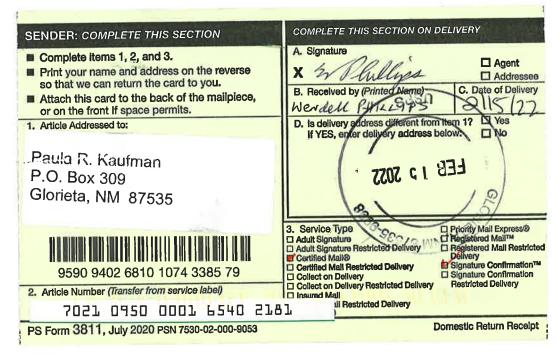


SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to:	A. Signature A. Signature A. Signature A. Signature Addressee Addressee Addressee D. Is delivery address different from item 1? Yes No
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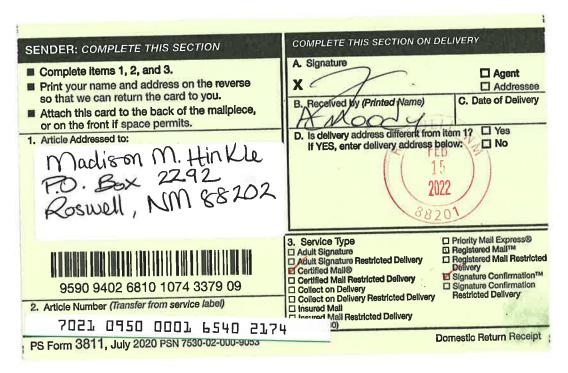




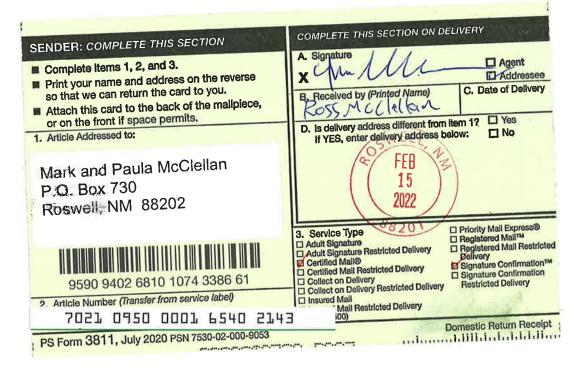




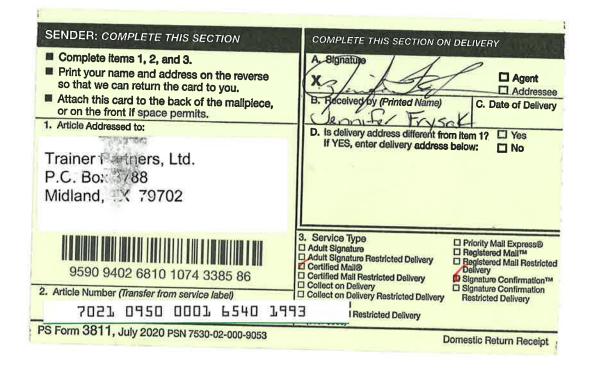












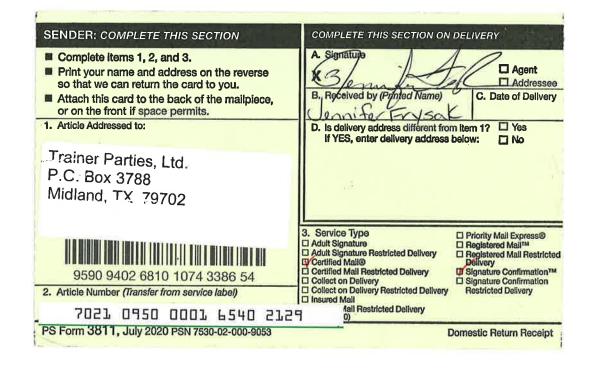




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7021 0950 0001 6540 201 PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

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FAQs >

Track Another Package +

Tracking Number: 70210950000165402211

Remove X

Your item was delivered to an individual at the address at 2:01 pm on February 14, 2022 in DALLAS, TX 75206.

USPS Tracking Plus[®] Available ✓

Oblivered, Left with Individual

February 14, 2022 at 2:01 pm DALLAS, TX 75206

Feedback

Get Updates ✓	U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only
	For delivery information, visit our website at www.usps.com®.
TOXE & Ellian operation	Certified Mail Fee S Extra Services & Fees (check box, add fee as appropriate) P Heturn Receipt (hardcopy)
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See Less ∧

FAQs >

Track Another Package +

Tracking Number: 70210950000165402150

Remove X

Your item was delivered to an individual at the address at 5:17 pm on February 14, 2022 in EL CERRITO, CA 94530.

USPS Tracking Plus[®] Available ✓

Oblivered, Left with Individual

February 14, 2022 at 5:17 pm EL CERRITO, CA 94530

Text & Email Updates

USPS Tracking Plus®

Product Information

Tracking History

Get Updates ✓

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FAQs >

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Tracking Number: 70210950000165402075

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Your item was delivered to the front desk, reception area, or mail room at 2:51 pm on February 16, 2022 in HOUSTON, TX 77098.

USPS Tracking Plus[®] Available ✓

⊘ Delivered, Front Desk/Reception/Mail Room

February 16, 2022 at 2:51 pm HOUSTON TX 77098

HOUSTON, TX 77098 U.S. Postal Service™ Get Updates ✓ CERTIFIED MAIL® RECEIPT 207 540 **Text & Email Updates** ப Return Receipt (hardcopy) Return Receipt (electronic) Certified Mail Restricted Delivery **Tracking History** Adult Signature Required Adult Signature Restricted Delivery \$ 0950 **USPS Tracking Plus®** Topsey, LLC 7021 Sent: 3270 West Main Siree Houston, TX 77098 City, t **Product Information** PS Form 3800, April 2015 PSN 7530-02-000-9047

See Less ^

FAQs >

Track Another Package +

Tracking Number: 70210950000165401986

Remove X

Your item was delivered to the front desk, reception area, or mail room at 2:51 pm on February 16, 2022 in HOUSTON, TX 77098.

USPS Tracking Plus[®] Available ✓

⊘ Delivered, Front Desk/Reception/Mail Room

February 16, 2022 at 2:51 pm HOUSTON, TX 77098

Text & Email Updates

USPS Tracking Plus®

Product Information

Tracking History

Get Updates ✓

U.S. Postal Service

CERTIFIED MAIL® RECEIPT

Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

Certified Mail Fee

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

Return Receipt (electronic)

Return Receipt (electronic)

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage

Hidden Hills Minerals, LLC

4 3270 West Main

5 Houston, TX 77098

See Less ^

Feedbac

FAQs >

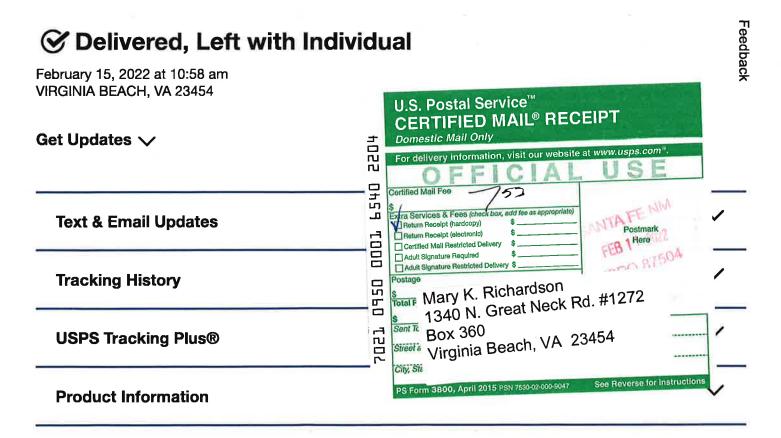
Track Another Package +

Tracking Number: 70210950000165402204

Remove X

Your item was delivered to an individual at the address at 10:58 am on February 15, 2022 in VIRGINIA BEACH, VA 23454.

USPS Tracking Plus[®] Available ✓



See Less ∧

FAQs >

Track Another Package +

Tracking Number: 70210950000165402228

Remove X

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

USPS Tracking Plus[®] Available ✓



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

FAQs >

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Tracking Number: 70210950000165402242

Remove X

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

USPS Tracking Plus[®] Available ✓



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

FAQs >

Track Another Package +

Tracking Number: 70210950000165402105

Remove X

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

USPS Tracking Plus[®] Available ✓



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Can't find what you're looking for?

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

COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION A. Signature Complete items 1, 2, and 3. □ Agent Print your name and address on the reverse X ☐ Addressee so that we can return the card to you. C. Date of Delivery B. Received by (Printed Name) Attach this card to the back of the mailpiece, or on the front if space permits. D. Is delivery address different from item 1? 1. Article Addressed to: If YES, enter delivery address below: ☐ No Michael P. Richardson 602 Minnesota St. San Francisco, CA 94107 ☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery If Signature Confirmation™☐ Signature Confirmation™☐ 3. Service Type ☐ Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail® Certified Mail Restricted Delivery 9590 9402 6810 1074 3378 86 ☐ Signature Confirmation ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery Restricted Delivery 2. Article Number (Transfer from service label) ☐ Insured Mail 7021. <u>opro **oprain**ifici</u>

MONTGOMERY & ANDREWS LAW FIRM

Mexico 87504-2307



7021 0950 0001 6540 2167



Michael P. Richardson 602 Minnesota St. San Francisco CA 04107

NIXIE

FE 1 958

0002/18/22

RETURN TO SENDER ATTEMPTED UNABLE TO FORWARD

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ANK 5416758452367

*2472-03393-18-33 BC: 87504230707



FAQs >

Track Another Package +

Tracking Number: 70210950000165402082

Remove X

Your item was returned to the sender at 10:33 am on February 14, 2022 in MIDLAND, TX 79701 because the forwarding order for this address is no longer valid.

USPS Tracking Plus[®] Available ✓

Forward Expired

February 14, 2022 at 10:33 am MIDLAND, TX 79701

MIDLAND, TX 79701 U.S. Postal Service™ Get Updates ✓ **CERTIFIED MAIL® RECEIPT** 082 Domestic Mail Only 540 Text & Email Updates _ Return Receipt (hardcopy)
Return Receipt (electronic) Certified Mail Restricted Delivery **Tracking History** Adult Signature Required Adult Signature Restricted Delivery \$ 20 COG Operating, LLC **USPS Tracking Plus®** Sent To 550 W. Texas Ave., Suite 100 Sireer an Midland, TX 79701 City, Stat **Product Information** PS Form 3800, April 2015 PSN 7530-02-000-904

See Less ^

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).

> February 17, 2022 and ending with the issue dated February 17, 2022.

Publisher

Sworn and subscribed to before me this 17th day of February 2022.

Business Manager

My commission expires January 29, 2023 (Seal)

GUSSIE BLACK
Notary Public - State of New Mexico
Commission # 1087526
My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE February 17, 2022

NOTICE

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

Trainer Partners, Ltd.; Devon Energy Production Co., LP; Sydney Investments, LP; Hidden Hills Minerals, LLC; Topsey, LLC; COG Operating, LLC; The Snoddy Oil & Gas Trust; Whitten Management Trust; EOG Resources; Mark and Paula McClellan; Madison M. Hinkle; Rolla R. Hinkle; James M. Richardson; Paula R. Kaufman; Michael P. Richardson; Brian A. Richardson; Mary K. Richardson; David P. Wright; Robert J. Wright; Whitten Management Trust; Bourland & Price; Bureau of Land Management.

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

Case No. 22552. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21204, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 20897 for the limited purpose of amending Order No. R-21204 to extend to April 7, 2023, the time to commence drilling (1) the Pakse South 24-25-36 Fed Com 111H well and (2) the Pakse South 24-25-36 Fed Com 112H well, proposed to be drilled into the First Bone Spring formation (Salt Lake; First Bone Spring [53560]) underlying the W/2 of Sections 24 and 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico. The wells and lands are located approximately 33 miles east of Carlsbad, New Mexico.

Case No. 22553. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21205, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 20898 for the limited purpose of amending Order No. R-21205 to extend to April 7, 2023, the time to commence drilling (1) the Pakse South 24-25 Fed Com 221H well and (2) the Pakse South 24-25 Fed Com 222H well, proposed to be drilled into the Second Bone Spring formation (Salt Lake; Second Bone Spring [53560]) underlying the W/2 of Sections 24 and 25, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico. The wells and lands are located approximately 33 miles east of Carlsbad, New Mexico.

Case No. 22556. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21206, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 20899 for the limited purpose of amending Order No. R-21206 to extend to April 7, 2023, the time to commence drilling (1) the Pakse South 24-25-36 Fed Com 321H well and (2) the Pakse South 24-25-36 Fed Com 322H well, proposed to be drilled into the Third Bone Spring formation (Salt Lake; Third Bone Spring [53560]) underlying the W/2 of Sections 24 and 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico. The wells and lands are located approximately 33 miles east of Carlsbad, New Mexico

These applications will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division in Santa Fe, New Mexico on March 3, 2021, 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 attend the hearing and present testimony or evidence, you must enter your appearance by February 23, 2021, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by February 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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EXHIBIT B