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

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

Case No. 22473



EL Campeon Fed Com 204H

April 14, 2022

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Tab 1.

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

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Case No. 22473

WRITTEN DIRECT TESTIMONY OF LANDMAN WALTER JONES

I, being duly sworn on oath, state the following:

- 1. I am a landman employed as Vice President of Land with Titus Oil & Gas Production, LLC ("Titus"), and I am familiar with the subject application and the lands involved.
- 2. The above-referenced application was filed with the Commission in accordance with Order No. R-21381-A at 4, ¶ 28, issued in Case No. 21872. This written direct testimony and the attached exhibits are submitted in support of the application, pursuant to 19.15.4.13(B) NMAC, and the public health emergency protocols implemented by the Commission for virtual hearings.
- 3. I have previously testified before the New Mexico Oil Conservation Division and Commission as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted and made a matter of record. My education and work experience are as follows: I graduated from the University of Mississippi in 2005 with a business 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 13 years.
- 4. This application is similar to the application previously filed by Titus in Case No. 21872, wherein Titus sought Commission approval of the production allocation between the State

of New Mexico and the State of Texas for the El Campeon Fed Com 404H well ("El Campeon 404H"), a horizontal well that Titus proposed to drill across the state line between New Mexico and Texas, from which production would have occurred in both states.

- 5. This application concerns the same spacing unit as that proposed in Case No. 21872. Titus therefore incorporates herein the exhibits and other filings that were previously filed in Case No. 21872.
- 6. After hearing on September 28, 2021, the Commission issued Order No. R-21831-A ("Order"), approving the application. *Id.* at 3, ¶ 19. The Order provided that drilling shall commence within one year, but that Titus "shall not commence production from the Well until the interested agencies in New Mexico and Texas have executed a broader agreement, likely the [memorandum of understanding] addressing the issues that have been presented by the parties in this case." *Id.* ¶ 27.
- 7. Subsequently, Titus determined that drilling the El Campeon 404H but waiting to commence production until execution of a broader agreement or memorandum of understanding ("MOU") was not economically feasible. As a result, Titus made the business decision to drill the well fully in New Mexico because of concerns that MOU discussions would be protracted. Nonetheless, Titus has numerous other wells planned to drill across the state line, including the El Campeon 204H, subject of the instant application.
- 8. The proposed El Campeon 204H well will produce oil from the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas.

- 9. Titus is the sole working interest owner in the New Mexico portion of the HSU and has the right to drill thereon.
- 10. Occidental Petroleum ("OXY") is the sole working interest owner in the Texas portion of the HSU and has the right to drill thereon. OXY is not opposed to Titus's plan to drill the El Campeon 204H, and the parties have agreed to enter into a joint operating agreement ("JOA") naming Titus as operator.
- 11. The surface hole for the El Campeon 204H will be located at approximately 332' FSL and 620' FEL of Section 20, T26S-R35E, Lea County, New Mexico. The completed lateral crosses the state line at approximately 0' FSL and 330' FEL of Section 32, T26S-R35E. The bottom hole location is approximately 10' FSL and 1912' FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas.
- 12. The first take point will be located at approximately 100' FNL and 989' FEL of Section 29, T26S-R35E, Lea County, New Mexico. The last take point will be approximately 100' FSL and 1883' FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas.
- 13. The proposed HSU is a standard spacing unit for an oil well, as defined in 19.15.16.15(B)(a) NMAC. The proposed HSU consists of contiguous tracts, each of which is a governmental quarter-quarter section or equivalent and each of which will be penetrated by the completed interval. *See id*.
- 14. The completed interval complies with the state-wide setback requirements for oil wells set forth in 19.15.16.15(C)(1)(a) NMAC.
- 15. The proposed first and last take points satisfy the state-wide setback requirements for oil wells set forth in 19.15.16.15(C)(1)(b) NMAC, but for the fact that the spacing unit crosses

the state line. Titus anticipates seeking approval of a non-standard location because the completed lateral will extend to and beyond the state line.

- 16. Maps illustrating the general location and ownership of the tracts were previously submitted as **Exhibits A-1** and **A-2** in Case No. 21872.
- 17. Tract 1 consists of a federal lease in New Mexico. Tract 2 consists of a state lease in New Mexico. Tract 3 consists of fee leases held by OXY as the lessee. *See* Exhibit A-2, Case No. 21872.
- 18. The ownership breakdown of working interests in the proposed HSU was previously submitted as **Exhibit A-3** in Case No. 21872. The location of the proposed well within the HSU is depicted in the draft C-102 Form attached hereto as **Exhibit 1**. The draft C-102 Form also indicates the location of the surface hole, the bottom hole, and the first and last take points.
- 19. In light of communications with the Division prior to filing Case No. 21872, Titus sent notice of the application to all parties who would have been entitled to notice if the proration unit were non-standard. *See* 19.15.16.15(B)(5)(b)(2) NMAC. Titus also sent notice to its lessees, the Bureau of Land Management and the New Mexico State Land Office. In addition, Titus sent notice to the Railroad Commission of Texas ("RRC") and the Texas Comptroller of Public Accounts. **Exhibit 2** attached hereto includes a copy of the notice letter that was sent with the application to all such parties.
- 20. Titus anticipates that any necessary approvals from the RRC will be similar to the approvals previously granted by the RRC for the El Campeon 404H. *See* Case No. 21872, Applicant's Second Status Report and Request for Order of Approval at 1, ¶ 2 (Sept. 1, 2021); *see also id.* Exhibit 3, attached thereto.

- 21. Titus proposes to allocate production between New Mexico and Texas based on proration unit surface acres. Although Texas ordinarily allocates production based on completed lateral length, in this instance, the allocation based on surface acres and the allocation based on completed lateral length is nearly the same. *See* Exhibit A-8 at pdf page 19 (RRC Exhibit No. 8), submitted in Case No. 21872.
- 22. Titus anticipates that a New Mexico API# will be assigned for reporting purposes related to production allocated to New Mexico and that a Texas API # will be assigned for reporting purposes related to production allocated to Texas. All production, royalties, taxes, etc. will be allocated to the well's proration unit acreage in each state and reported to each state's API#. Titus further anticipates that the States will confer after permits are approved by each State to determine how authority over regulatory and environmental compliance will be allocated between the States.
- 23. Titus has already received a federal permit for drilling the proposed well as a 1.5-mile well fully in New Mexico. Titus has conferred with the Bureau of Land Management about drilling the proposed well as a 2-mile well across the state line and, as a result, understands that a sundry notice can be filed to extend the well across the state line as outlined herein.
- 24. The New Mexico State Land Office received notice of this application. As of this date, the State Land Office has not entered an appearance in this proceeding.
- 25. Previous development in Texas occurred south to north, but stopped short of Section 25. *See* Exhibit A-7 at pdf pages 23-37. If this portion of Section 25 in Loving County is not developed as proposed in this application, it may not be developed; it would be an undeveloped island. Underlying hydrocarbons will not be developed; rather, such hydrocarbons will be wasted.

- 26. The proposed development across the state line will result in more recoverable hydrocarbons in New Mexico.
- 27. In an effort to facilitate the MOU process, Titus reached out to individuals at the Energy, Minerals and Natural Resources Department ("EMNRD") and at the Texas RRC. Through its Texas counsel, Titus learned that David Cooney, attorney for the RRC, and Danny Sorrells, Director of Oil & Gas, RRC, are the persons with authority to engage in negotiations with their New Mexico counterparts. As a result of these communications, Titus understands that the RRC provided a draft MOU (similar to the stipulated draft between Titus and the State Land Office) to EMNRD, on January 31, 2022, and that as of March 4, 2022, EMNRD general counsel was reviewing the draft and hoped to circulate a draft back to Texas in mid-March. Titus's efforts to obtain information relating to the status of the MOU thereafter have been unsuccessful.
- 28. The Exhibits to this Affidavit were prepared by me, or compiled from Titus's business records.
- 29. The granting of the Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.
 - 30. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUG	FURTHER	AFFIANT	SAYETH NAUGH
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STATE OF TEXAS)ss **COUNTY OF TARRANT**

Subscribed to and sworn before me this 7th day of April, 2022.

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

Notary Public

My Commission expires $\frac{11}{15}/2022$

District I

District IV

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

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

<u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Numbe 30-025-481			one Spring	
4 Property Code		6 Well Number 204H		
7 OGRID No. 373986	8 Operator Name TITUS OIL & GAS PRODUCTION LLC			9 Elevation 3172'

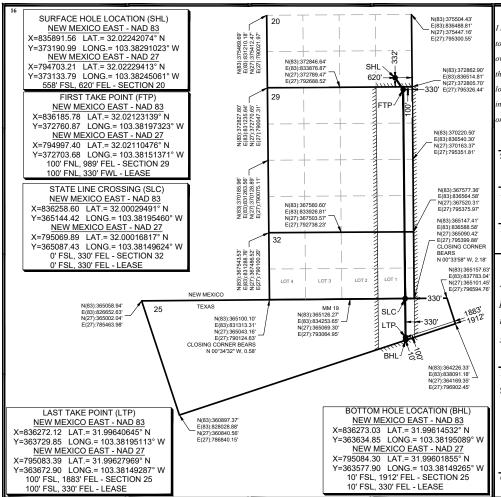
¹⁰ Surface Location

Γ	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	P	20	26-S	35-E		332'	SOUTH	620'	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Block (TX)	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County (TX)
1	25	C24			10'	SOUTH	1912'	EAST	LOVING
12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Ord			rder No.						
282.84	Y	r							

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Exhibit 1

Printed Na ne Titus Oil & Gas. LLC

NMOCD Case No. 22473

E-mail Address April 14, 2022

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor:

PRFI IMINARY

THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT.

Certificate Number



SHARON T. SHAHEEN

Direct: (505) 986-2678

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

www.montand.com

March 22, 2022

Via U.S. Certified Mail, return receipt requested

TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 22473 – Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico – El

Campeon Fed Com 204H

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Titus Oil & Gas Production, LLC ("Titus") has filed an application with the New Mexico Oil Conservation Commission for an order regarding the proposed well described below. You are receiving this notice because you may have an interest in this well or in a tract adjoining the proposed spacing unit.

Case No. 22473. Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Commission approving the production allocation of minerals in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The HSU will be dedicated to the El Campeon Fed Com 204H well, to be horizontally drilled from an approximate surface hole location 332' FSL and 620' FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10' FSL and 1912' FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Bone Spring formation (Sandbar (Bone Spring) [Texas Field No. 80544500, District Name: 08]). Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas. The first

REPLY TO:

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

Post Office Box 2307 Santa Fe, New Mexico 87504-2307 Released to Imaging: 4/8/2022 7:06:48 AM Exhibit 2
Titus Oil & Gas. LLC
NMOCD Case No. 22473
April 14, 2022

All Interested Parties March 22, 2022 Page 2

take point and the completed interval will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The last take point within New Mexico will be on the state line between New Mexico and Texas. The well and lands are located approximately 14 miles southwest of Jal, New Mexico.

The attached application will be set for hearing before the Oil Conservation Commission. 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 **April 14**, **2022**, beginning at 8:15 a.m. or shortly thereafter To participate in the electronic hearing, see the instructions posted on the notice for the hearing date at https://www.emnrd.nm.gov/ocd/occ-info/. 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 **April 6, 2022**, and serve the Commission, counsel for the Applicant, and other parties with a pre-hearing statement by **April 7, 2022**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about this application.

Very truly yours,

Sharon T. Shaheen Sharon T. Shaheen

STS/cp Enclosure

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

EXHIBIT A

Occidental Petroleum 5 Greenway Plaza, Suite 110 Houston, TX 77046 Texas Comptroller of Public Accounts P.O. Box 13528, Capitol Station Austin, TX 78711-3528 Railroad Commission of Texas 1701 N. Congress Austin, Texas 78701

Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157 State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501

NM Taxation & Revenue Dept. 1100 South St. Francis Drive Santa Fe, NM 87504

Devon Energy Production Company, LP 333 W Sheridan Ave Oklahoma City, OK 73102 Chevron U.S.A., Inc. 6001 Bollinger Canyon Road San Ramon, CA 94583 McCombs Energy Ltd. 5599 San Felipe St., Suite 1200 Houston, TX 77056

EOG Resources, Inc. PO Box 4362 Houston, TX 77210 Oxy USA, Inc. 5 Greenway Plaza, Suite 110 Houston, Texas 77046 Franco-Nevada Texas, LP 1745 Shea Center Dr., Suite 400 Highland Ranch, CO 80129

Newkumet, Ltd. PO Box 11330 Midland, Texas 79702 Blue River Minerals, LLC 5950 Cedar Springs RdSuite 100 Dallas, Texas 75235 Sammy L. Morrison, Trustee of Sammy & Sibyl Morrison Mineral Trust 4617 Breezeway Ct. Midland, Texas 79707

Pegasus Resources, LLC 2821 West 7th Street, Suite 500 Fort Worth, Texas 76107 McMullen Minerals, LLC 2821 West 7th Street, Suite 500 Fort Worth, Texas 76107 McCombs Energy Ltd. 750 E Mulberry Ave, Suite 403 San Antonio, TX 78212

Tab 2.

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. 22473

AFFIDAVIT OF NOTICE

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

I, Sharon T. Shaheen, attorney for Applicant TITUS OIL & GAS PRODUCTION, LLC, upon oath state that I caused notice of the application to be sent by certified mail through the United States Postal Service ("USPS") on March 22, 2022, to owners of mineral interests in New Mexico that offset the proposed spacing unit, among others. Evidence of mailing to and receipt by all parties is attached hereto as Exhibit 1. In addition, in an abundance of caution, notice was directed to all owners to whom notice was mailed, by publication in the Hobbs News-Sun on March 24, 2022, which is reflected in the Affidavit of Publication attached hereto as Exhibit 2.

Titus Oil & Gas Production, LLC, 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 this 7th day of April, 2022.

My Commission Expires:

Notary Public

TITUS OIL & GAS PRODUCTION, LLC

El Campeon Fed Com 204H / Case No. 22473

April 14, 2022 Hearing

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received
Occidental Petroleum 5 Greenway Plaza, Suite 110 Houston, TX 77046	March 22, 2022	7021 0950 0001 6540 1405	Delivered	March 25, 2022
Texas Comptroller of Public Accounts P.O. Box 13528, Capitol Station Austin, TX 78711-3528	March 22, 2022	7021 0950 0001 6540 1399	Delivered	March 25, 2022
Railroad Commission of Texas 1701 N. Congress Austin, Texas 78701	March 22, 2022	7021 0950 0001 6540 1382	Delivered	March 28, 2022
Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157	March 22, 2022	7021 0950 0001 6540 1375	Delivered	March 25, 2022
State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501	March 22, 2022	7021 0950 0001 6540 1368	Delivered	Undated
NM Taxation & Revenue Dept. 1100 South St. Francis Drive Santa Fe, NM 87504	March 22, 2022	7021 0950 0001 6540 1351	Delivered	March 24, 2022
Devon Energy Production Company, LP 333 West Sheridan Avenue Oklahoma City, OK 73102	March 22, 2022	7021 0950 0001 6540 1344	Delivered	March 28, 2022

Exhibit 1
Titus Oil & Gas. LLC

NMOCD Case No. 22473 April 14, 2022

TITUS OIL & GAS PRODUCTION, LLC

El Campeon Fed Com 204H / Case No. 22473

April 14, 2022 Hearing

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received
Chevron U.S.A., Inc. 6001 Bollinger Canyon Road San Ramon, CA 94583	March 22, 2022	7021 0950 0001 6540 1337	Delivered	March 28, 2022
McCombs Energy Ltd. 5599 San Felipe St., Suite 1200 Houston, TX 77056	March 22, 2022	7021 0950 0001 6540 1238	RETURNED	
EOG Resources, Inc. PO Box 4362 Houston, TX 77210	March 22, 2022	7021 0950 0001 6540 1313	Delivered	March 29, 2022
Oxy USA, Inc. 5 Greenway Plaza, Suite 110 Houston, Texas 77046	March 22, 2022	7021 0950 0001 6540 1306	Delivered	March 25, 2022
Franco-Nevada Texas, LP 1745 Shea Center Dr., Suite 400 Highland Ranch, CO 80129	March 22, 2022	7021 0950 0001 6540 1290	Delivered	Undated
Newkumet, Ltd. PO Box 11330 Midland, Texas 79702	March 22, 2022	7021 0950 0001 6540 1283	Delivered	March 28, 2022
Blue River Minerals, LLC 5950 Cedar Springs RdSuite 100 Dallas, Texas 75235	March 22, 2022	7021 0950 0001 6540 1276	Delivered	Undated

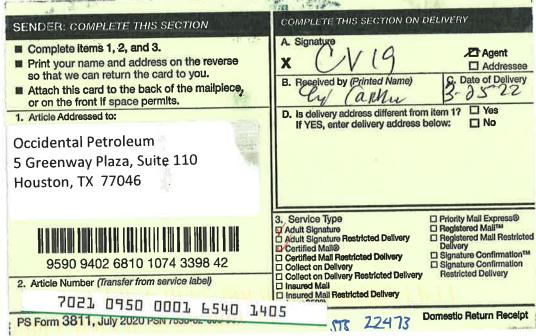
TITUS OIL & GAS PRODUCTION, LLC

El Campeon Fed Com 204H / Case No. 22473

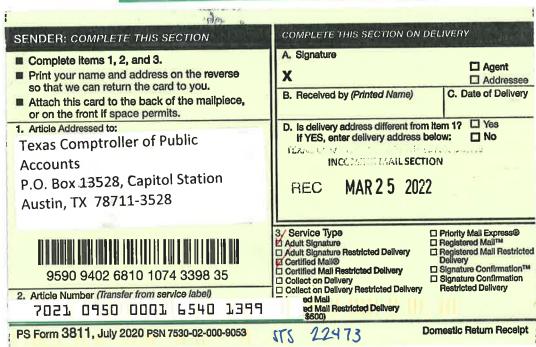
April 14, 2022 Hearing

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received
Sammy L. Morrison, Trustee of Sammy & Sibyl Morrison Mineral Trust 4617 Breezeway Ct. Midland, Texas 79707	March 22, 2022	7021 0950 0001 6540 1269	Delivered	Undated
Pegasus Resources, LLC 2821 West 7th Street, Suite 500 Fort Worth, Texas 76107	March 22, 2022	7021 0950 0001 6540 1252	Delivered	March 25, 2022
McMullen Minerals, LLC 2821 West 7th Street, Suite 500 Fort Worth, Texas 76107	March 22, 2022	7021 0950 0001 6540 1245	Delivered	March 25, 2022
McCombs Energy Ltd. 750 E Mulberry Ave, Suite 403 San Antonio, TX 78212	March 22, 2022	7021 0950 0001 6540 1320	Delivered	March 25, 2022









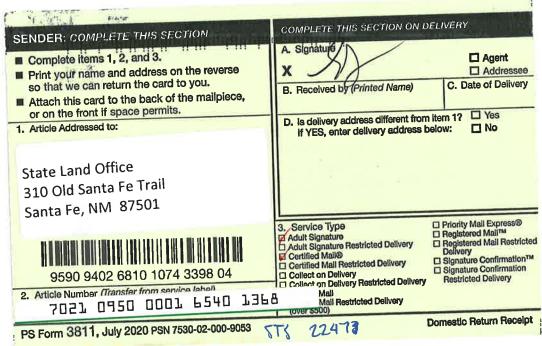
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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
 Complete Items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front if space permits. Article Addressed to: 	A. Signature X B	
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	PS Form 3800, April 2013 For Form 3.	



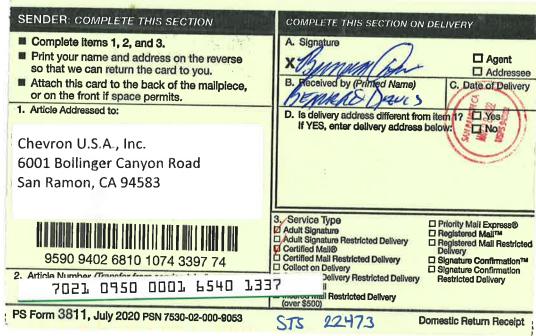
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	\$ NM Taxation & Revenue Dept. Sire 1100 South St. Francis Drive City, Santa Fe, NM 87504
	PS Porti Jugo, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

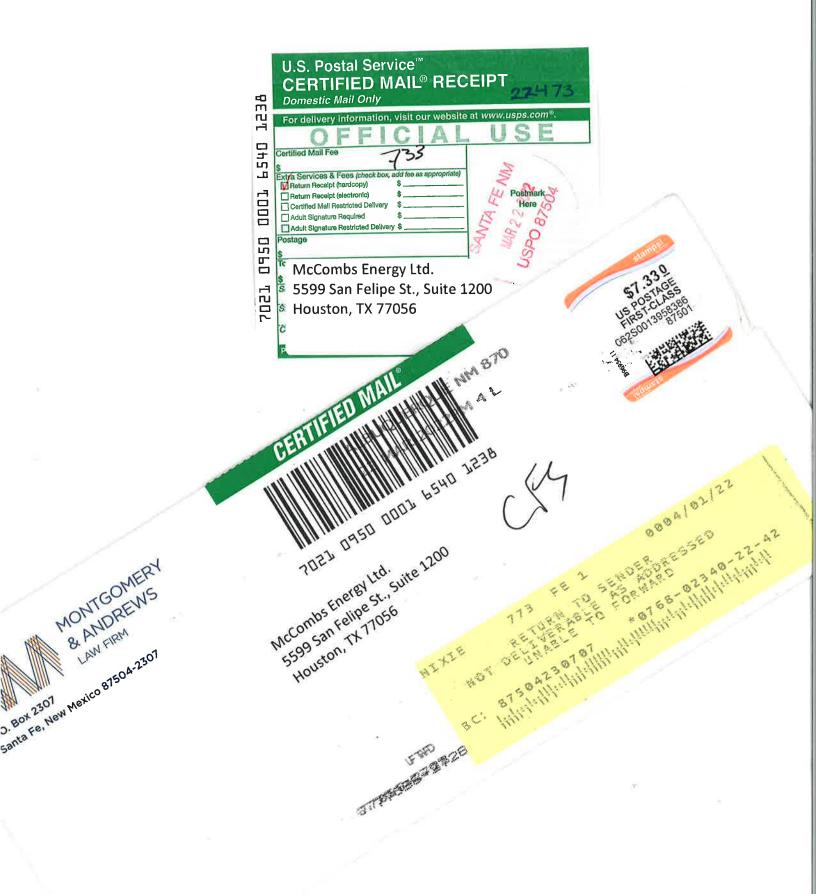


















C A C C C	
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front if space permits. Article Addressed to: Oxy USA, Inc.	A. Signature X B. Received by (Printed Name) C. Date of Delivery C. Date of Delivery D. Is delivery address different from item 1? If YES, enter delivery address below:
5 Greenway Plaza, Suite 110 Houston, Texas 77046	
9590 9402 6810 1074 3397 43	3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mall® □ Certified Mall Restricted Delivery □ Collect on Delivery □ Signature Confirmation™ □ Signature Confirmation™
2 Article Number (<i>Transfer from service label</i>) 7021 0950 0001 6540 1300 PS Form 3811, July 2020 PSN 7530-02-000-9055	☐ Collect on Delivery Restricted Delivery Restricted Delivery ☐ Insured Mail Restricted Delivery

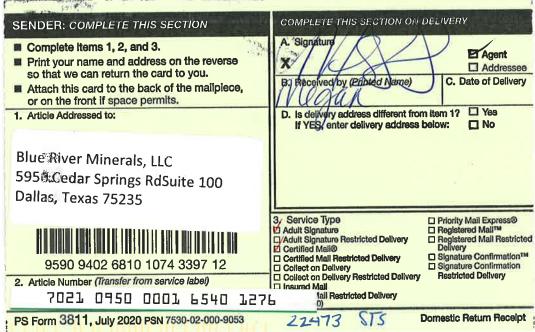


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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X B. Received by (Printed Name)	Addressee C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from Item 1? Yes If YES, enter delivery address below: No	
Franco-Nevada Texas, LP 1745 Shea Center Dr., Suite 400 Highland Ranch, CO 80129	3	
9590 9402 6810 1074 3397 36 2. Article Number (Transfer from service Jahon 7021 0950 0001 6540 129	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery Collect on Delivery Lail Restricted Delivery (over \$500)	☐ Priority Mall Express® ☐ Registered Mall™ ☐ Registered Mall Restricted Delivery ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery
PS Form 3811, July 2020 PSN 7530-02-000-9053	the state of the s	Domestic Return Receipt









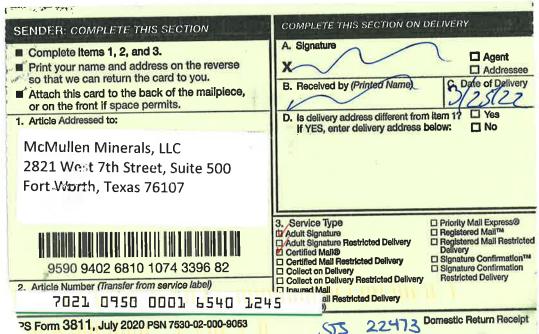
P-J	U.S. Postal Service [™] CERTIFIED MAIL® RECEIPT Domestic Mail Only
ם	For delivery information, visit our website at www.usps.com*.
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09	Sammy L. Morrison, Trustee of
	Sammy & Sibyl Morrison Mineral
7027	Trust
7	4617 Breezeway Ct.
	Midland, Texas 79707
	PS Form 3800, April 2015 PSN 7530-77-000-90-7

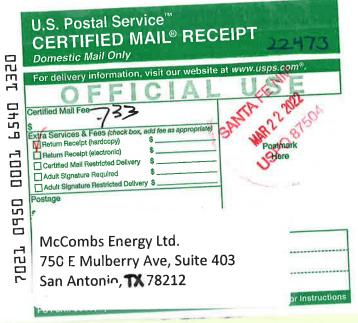
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Complete Items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front if space permits. Article Addressed to: Sammy L. Morrison, Trustee of Sammy & Sibyl Morrison Mineral	A. Signature X
Trust 4617 Breezeway Ct.	
Midland, Texas 79707	3. Service Type □ Priority Mail Express®
9590 9402 6810 1074 3397 05	☐ Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery ☐ Signature Confirmation ☐ Signature Confirmation
2 Article Number (Transfer from service label) 7021 0950 0001 6540 128	Insured Mail
PS Form 3811, July 2020 PSN 7530-02-000-9053	22 473 STS Domestic Return Receipt











SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON L	DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mallpiece, or on the front if space permits. Article Addressed to: 	A. Signature Agent Addresses Addresses Addresses Addresses	
McCombs Energy Ltd. 750 E Mulberry Ave, Suite 403 San Antonio, TX 78212		☐ Priority Mail Express®
9590 9402 6810 1074 3397 67 2. Article Number (<i>Transfer from service label</i>)	3. Service Type Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail® Collect on Delivery Collect on Delivery Insured Mail	Registered Mail™ Registered Mail Restricted Delivery Signature Confirmation™ Signature Confirmation
7021 0950 0001 6540 132	Mail Restricted Delivery	Domestic Return Receipt

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated March 24, 2022 and ending with the issue dated March 24, 2022.

Publisher

Sworn and subscribed to before me this 24th day of March 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 March 24, 2022

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

Occidental Petroleum; Texas Comptroller of Public Accounts; Railroad Commission of Texas; Bureau of Land Management; State Land Office; NM Taxation & Revenue Dept.; Devon Energy Production Company, LP; Chevron U.S.A., Inc.; McCombs Energy, Ltd.; EOG Resources, Inc.; Oxy USA, Inc.; Franco-Nevada Texas, LP; Newkumet, Ltd.; Blue River Minerals, LLC; Sammy L. Morrison, Trustee of Sammy and Sibyl Morrison Mineral Trust; Pegasus Resources, LLC; McMullen Minerals, LLC.

Titus Oil & Gas Production, LLC, has filed an application with the New Mexico Oil Conservation Commission as follows:

Case No. 22473 - Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Commission approving the production allocation of minerals in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The HSU will be dedicated to the El Campeon Fed Com 204H well, to be horizontally drilled from an approximate surface hole location 332' FSL and 620' FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10' FSL and 1912' FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Bone Spring formation (Sandbar (Bone Spring) [Texas Field No. 80544500, District Name: 08]). Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas. The first take point and the completed interval will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The last take point within New Mexico will be on the state line between New Mexico and Texas. The well and lands are located approximately 14 miles oil wells. The last take point within New Mexico will be on the state line between New Mexico and Texas. The well and lands are located approximately 14 miles southwest of Jal, New Mexico.

This application will be set for hearing before the New Mexico Oil Conservation Commission in Santa Fe, New Mexico on April 14, 2022, 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 at https://www.emnrd.nm.gov/ocd/occ-info/. 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 April 6, 2022, and serve the Commission, counsel for the Applicant, and other parties with a pre-hearing statement by April 7, 2022, in accordance with Division Rule 19.15.4.13 NMAC. For further information, contact the applicant's attorney, Sharon T. Shaheen, Montgomery & Andrews, P.A., 325 Paseo de Peralta, Santa Fe, New Mexico 87501, (505) 986-2678.

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

Exhibit 2 Titus Oil & Gas. LLC NMOCD Case No. 22473 April 14, 2022