## 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-21922, LEA COUNTY, NEW MEXICO

Case No. \_\_\_\_ Order No. R-21922 (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-21922 entered in Case No. 21619 to extend the time for drilling provided in Order No. R-21922. In support of its application, Titus states as follows:

- 1. Order No. R-21922 pooled uncommitted interest owners in the Bone Spring formation (Salt Lake; Bone Spring [53560]) in a standard 560-acre, more or less, horizontal spacing and proration unit ("HSU") with proximity tracts, comprised of the E/2 of Section 22 and NE/4 and N/2 SE/4 of Section 27, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico, dedicated to the Thai Curry Fed Com 223H and the Thai Curry Fed Com 224H wells (collectively, "Wells").
  - 2. Titus is a working interest owner in the HSU and has the right to drill thereon.
  - 3. Order No. R-21922 designated Titus as the operator of the Wells and the HSU.
- 4. Titus requests that the Division re-open the matter to extend the time to commence drilling to be no later than December 7, 2023, which will be a one-year extension from the time to commence drilling granted in Order No. R-21922.

- 5. The Division Hearing in Case No. 21619 was held on October 7, 2021.
- 6. The Division entered Order No. R-21922 in Case No. 21619 on December 7, 2021.
- 7. Order No. R-21922, ¶ 19, states, "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." Order No. R-21922, ¶ 20, states, "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown."
- 8. Under Order No. R-21922, Titus would be required to commence drilling the Wells by December 7, 2022.
  - 9. Good cause exists for the Division to grant the extension.
- 10. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to current labor shortages and supply chain issues resulting from COVID-19 policies. In addition, the location is in a potash area, and permits have not yet been approved by BLM.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 1, 2022, and that, after notice and hearing as required by law, the Division enter an order amending Order No. R-21922 to extend the time to commence drilling to be no later than December 7, 2023.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21922, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21619 for the limited purpose of amending Order No. R-21922 to extend by one year, through December 7, 2023, the time to commence drilling the Thai Curry Fed Com 223H and Thai Curry Fed Com 224H wells, proposed to be drilled into the Bone Spring formation (Salt Lake; Bone Spring [53560]) underlying the E/2 of Section 22 and NE/4 and N/2 SE/4 of Section 27, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico. The wells and lands are located approximately twenty-seven miles northeast of Loving, New Mexico.