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

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

CASE NO. 22473

OIL CONSERVATION DIVISION'S PREHEARING STATEMENT

The New Mexico Oil Conservation Division ("OCD") submits this Pre-Hearing Statement in support of its Opposition to Titus Oil & Gas Production, LLC's ("Titus") Application for Approval of Production Allocation from the El Campeon Fed Com 204H Well.

I. IDENTIFICATION OF PARTY AND COUNSEL

OCD intervenes, opposes the Application, and is represented by undersigned counsel.

II. STATEMENT OF THE CASE

Titus proposes to develop a horizontal spacing unit extending from Lea County, New Mexico into Loving County, Texas. Titus' application, submitted to the Oil Conservation Commission ("OCC") pursuant to Order R-21831-A, proposes a horizontal spacing unit substantially similar to that proposed in OCC case number 21872 and approved subject to conditions in Order R-21831-A.

OCD opposes the instant application only to the extent that it requests this Commission take notice of the administrative record in case 21872, and if the OCC approves the application, issue an Order conditioning the application consistent with the terms of Order R-21831-A.

III. LEGAL ISSUES

OCD reiterates its argument and presentation in case 21872, maintaining that proper regulation of New Mexico mineral interests, prevention of waste, and protection of correlative rights necessitates the finalization of an agreement between the OCD and the Railroad Commission of Texas prior to completion of the interstate portion of the proposed well.

IV. OCD'S WITNESS

OCD does not intend to call any witnesses. Dylan Fuge, Energy, Minerals and Natural Resources Department General Counsel, will be available to provide an update on the status of an agreement between OCD and the Railroad Commission of Texas as required in case 21872.

V. EXHIBITS

OCD requests that the Commission take notice of the record in case 21872 and does not intend to introduce any additional exhibits.

VI. PROCEDURAL MATTERS

The OCD has not identified any procedural matters to be resolved prior to the hearing.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of this pleading was mailed electronically on April 7, 2022, to:

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