

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

<b>Applicant:</b> Titus Oil & Gas Production, LLC	<b>OGRID Number:</b> 373986
<b>Well Name:</b> El Campeon Federal Com Central Tank Battery 20	<b>API:</b> See Attached Well List
<b>Pool:</b> WC-025 G-08 S263412K; Bone Spring and Jabalina; Wolfcamp, Southwest Pools	<b>Pool Code:</b> 96672 & 96776

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]
- [ I ] Commingling – Storage – Measurement  
 DHC     CTB     PLC     PC     OLS     OLM
- [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

<b>FOR OCD ONLY</b>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Ryan DeLong  
 Print or Type Name

3/25/22  
 Date

Signature

(817) 852-6370  
 Phone Number

rdelong@titusoil.com  
 e-mail Address

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. See Attached Well List
5. Indicate Type of Lease STATE [X] FEE [ ]
6. State Oil & Gas Lease No. NMNM-125400 & VB-2563
7. Lease Name or Unit Agreement Name El Campeon Federal Com
8. Well Number See Attached
9. OGRID Number 373986
10. Pool name or Wildcat Jabalina; Wolfcamp, Southwest (96776) & WC-025 G-08 S263412K; Bone Spring (96672)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [X] Gas Well [ ] Other [ ]
2. Name of Operator Titus Oil & Gas Production, LLC
3. Address of Operator 420 Throckmorton St., #1150, Fort Worth, TX 76102
4. Well Location Unit Letter : feet from the line and feet from the line
Section 29 & 32 Township 26 South Range 35 East NMPM Lea County
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ]
TEMPORARILY ABANDON [ ] CHANGE PLANS [ ]
PULL OR ALTER CASING [ ] MULTIPLE COMPL [ ]
DOWNHOLE COMMINGLE [ ]
CLOSED-LOOP SYSTEM [ ]
OTHER: Pool/Lease Surface Commingling/Off Lease Measure [X]
SUBSEQUENT REPORT OF:
REMEDIAL WORK [ ] ALTERING CASING [ ]
COMMENCE DRILLING OPNS [ ] P AND A [ ]
CASING/CEMENT JOB [ ]
OTHER: [ ]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Pursuant to Rule No. 19.15.12.10, Titus Oil & Gas Production, LLC ("Titus") respectfully requests authorization to surface commingle oil and gas production from the WC 025 G08 S263412K; Bone Spring (96672) and Jabalina; Wolfcamp, Southwest (96776) Pools underlying portions of Federal Lease No. NMNM-125400 and State Lease No. VB-2563-2, and to measure and store this production off lease. In support of this application, the following information and/or attachments are submitted:

- 1. A plat showing the proposed "Commingled Area", which comprises the E/2 E/2 of Section 29 (Federal Lease No. NMNM-125400) and the NE/4 NE/4 and Lot 1 of Section 32 (State Lease No. VB-2563-2) both in Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. Also shown is the location of the El Campeon Federal Com Central Tank Battery 20 to be located in Unit K of Section 20, T-26S, R-35E on Federal Lease No. NMNM-134888. Additional information regarding the proposed Commingled Area is summarized as follows:
a. The Commingled Area will be communitized by virtue of Federal Communitization Agreements for the Wolfcamp and Bone Spring Pools (Pending BLM Approval), and by virtue of State Communitization Agreements for the Wolfcamp and Bone Spring Pools (Approved and Attached). Copies of the Federal Communitization Agreements can be provided to OCD if necessary;
b. Titus is the only working interest owner in both the Federal and State leases. Also, by virtue of the Communitization Agreements, the ownership within the Commingled Area is common;
c. Pursuant to the Communitization Agreements, production within the Commingled Area will be allocated on the basis of acreage.
2. A list of the wells to be commingled, including API Numbers, Surface Location, Producing Pools and API Gravity and BTU data. All wells will be horizontally drilled 1 1/2 miles to effectively drain and develop the Commingled Area.
3. A schematic diagram of the proposed commingling facility.
4. A description of the method used to allocate production to each of the commingled wells, a description of the method used to allocate production revenue within the Commingled Area, and estimated production data from each of the commingled formations.
5. The oil gravity and BTU of each of the commingled Bone Spring and Wolfcamp streams is such that there will be no reduction in the value of the commingled production as a result of commingling.
6. A statement by Titus that by virtue of the Communitization Agreements, the interest ownership within the Commingled Area is common throughout, and.
7. Formal applications for surface commingling and off lease measurement and storage have been submitted to the BLM and State Land Office. Copies of these applications can be provided to OCD if requested.

Spud Date: [ ]

Rig Release Date: [ ]

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Regulatory Manager DATE 3/25/2022

Type or print name Ryan DeLong E-mail address: rdelong@titusoil.com PHONE: (817) 852-6370

For State Use Only

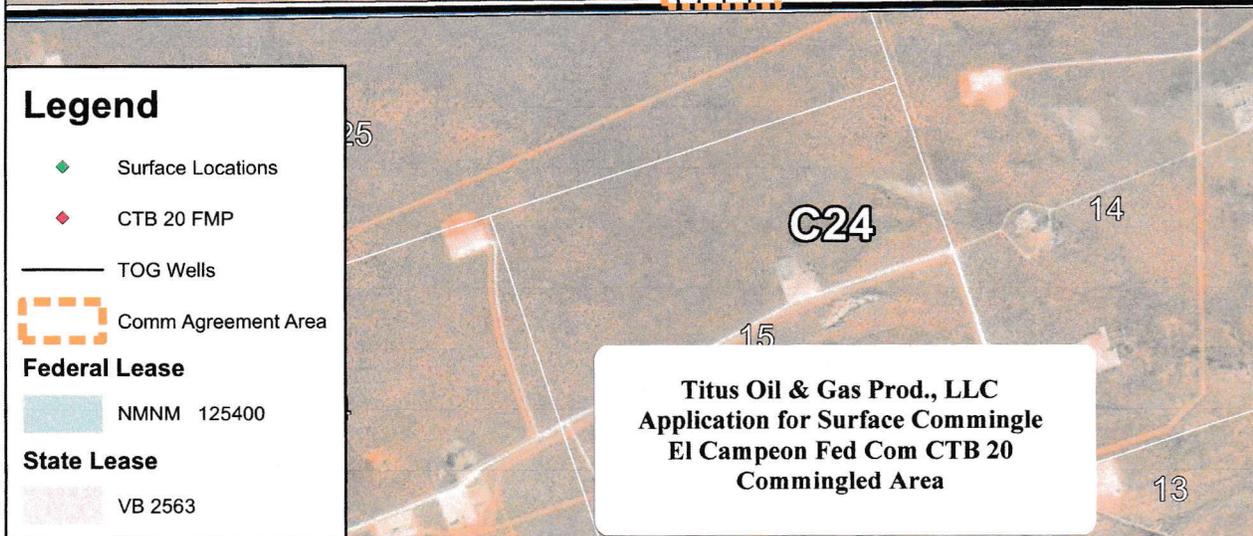
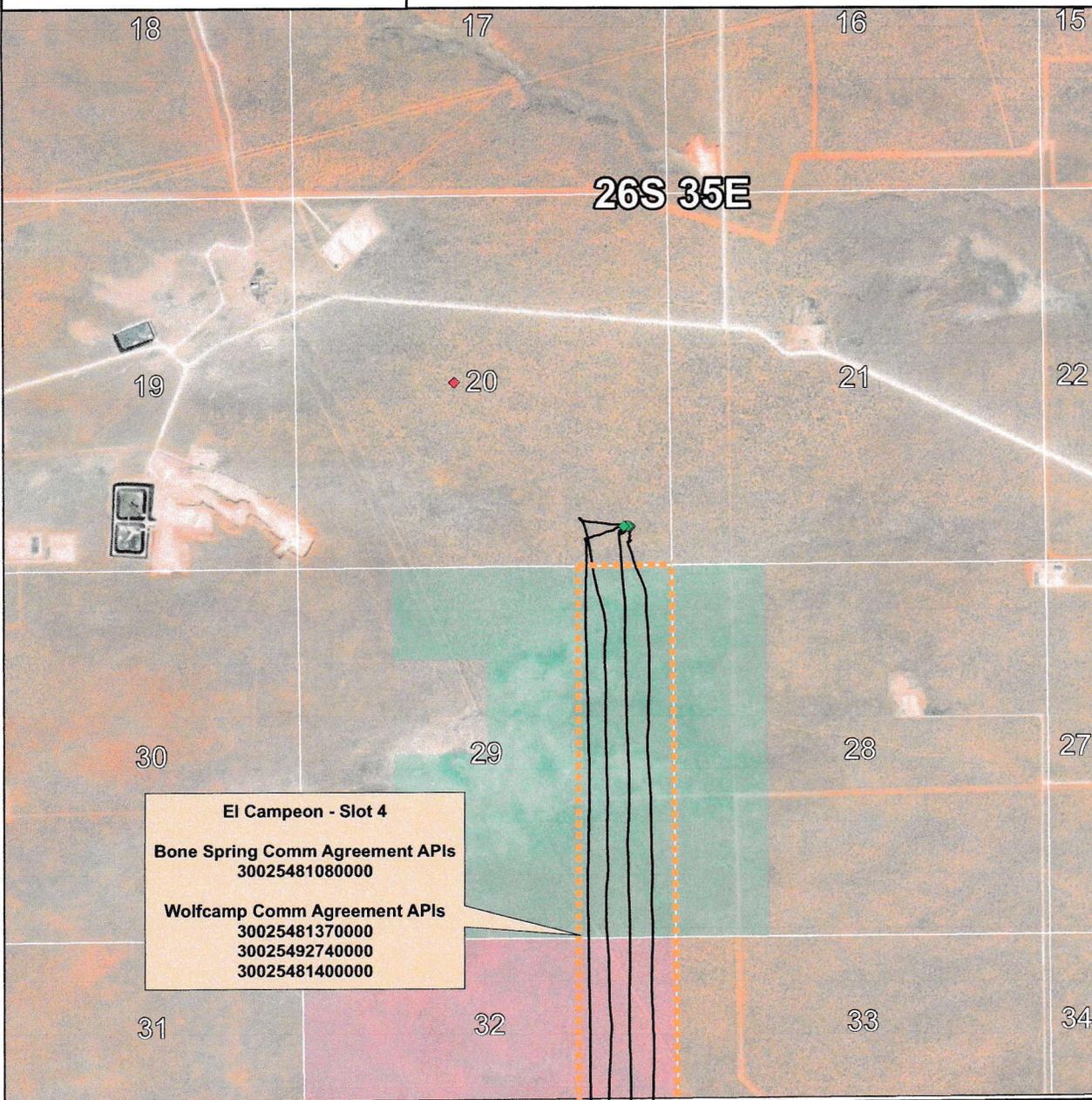
APPROVED BY: TITLE DATE
Conditions of Approval (if any):

# TITUS

OIL GAS LLC

## Topographic Map (Attachment F) - CTB 20

Lea County, New Mexico



### Legend

- ◆ Surface Locations
- ◆ CTB 20 FMP
- TOG Wells
- Comm Agreement Area
- Federal Lease**
- NMMN 125400
- State Lease**
- VB 2563

Titus Oil & Gas Production, LLC  
Application for Surface Commingling & Off Lease Measurement/Storage  
El Campeon Federal Com Central Tank Battery 20  
Sections 29 & 32, Township 26 South, Range 35 East, NMPM  
Lea County, New Mexico

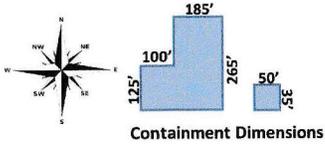
**List of Wells to be Surface Commingled**

Well Name & Number	SH Location	API No.	Pool	Oil Gravity	BTU
El Campeon Federal Com # 214H	P-20-26S-35E	30-025-48108	WC 025 G08 S263412K; Bone Spring	49 Deg.	1097
El Campeon Federal Com # 404H	P-20-26S-35E	30-025-48137	Jabalina; Wolfcamp, Southwest	47.6 Deg	1306
El Campeon Federal Com # 434H	P-20-26S-35E	30-025-49274	Jabalina; Wolfcamp, Southwest	47.5 Deg.	1308
El Campeon Federal Com # 514H	P-20-26S-35E	30-025-48140	Jabalina; Wolfcamp, Southwest	48.8 Deg.	1334

Titus Oil & Gas Prod., LLC  
Application for Surface Commingle  
El Campeon Fed Com CTB 20  
Commingled Area

# TITUS OIL GAS CTB 20

3/4/2022



- Thermal Mass Meter
- Turbine Meter
- Coriolis Meter
- Mag Meter

From Each El Camp to Bulk CTB

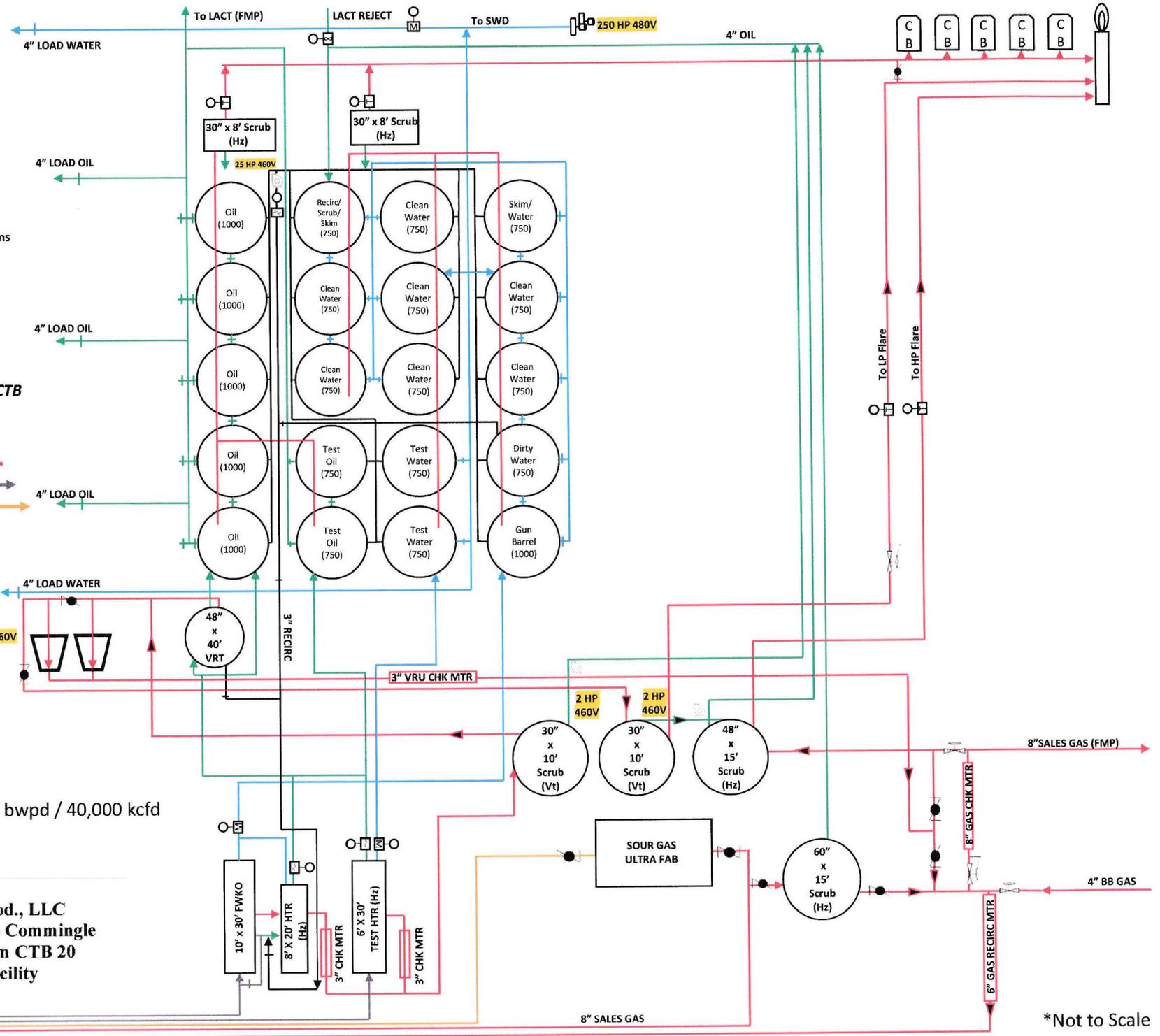
8" Oil & Water (EC 1, EC2, EC3, EC4)

8" Gas Sales

6" Gas Lift

4" OGW (Maintenance)

4" Sour Gas



~ Peak Facility Rating  
45,000 bopd / 100,000 bwpd / 40,000 kcfd

Titus Oil & Gas Prod., LLC  
Application for Surface Commingle  
El Campeon Fed Com CTB 20  
Commingled Facility

\*Not to Scale

**Oil & Gas Metering Procedure: El Campeon Federal Com Central Tank Battery 20**

For the purpose of allocating and reporting production from each of the commingled wells, the following equipment and procedure will be utilized:

**Gas Measurement:** 3 phase flow is routed from each well to a dedicated vertical separator. Free gas is separated, measured (with an independent, designated orifice meter for allocation), then commingled into one of two gas streams. The commingled gas is then sent to one of two scrubbers to condition gas, measured again downstream of the scrubber and then routed to sales.

**Oil and Water Measurement:** Residual Oil and Water from the dedicated vertical separator is routed to a heater treater where Oil and Water are separated, metered measured with an independent, designated Coriolis Meter for Oil allocation and Mag meter for Water allocation, then commingled and sent to one of two Free Water Knock Out (FWKO) and bulk heater treater trains (Final Separation Trains). After the Final Separation Trains, Oil and Water are separated, metered again. Oil is then sent the Oil tanks (including level sensors) and Water flows into a gun barrel, and into one of the produced Water tanks (with level sensors). The water from the final separation train then flows into a gun barrel, and into one of the produced water tanks.

**Low Pressure Gas:** The remaining gas from the FWKO/bulk heater treater trains and the test train is collected, compressed, and combined back into the gas line (via low pressure gas compressor) and flows through an orifice meter for the purpose of gas sales/FMP/Royalty Payment.

**Test Train:** Titus has 3 phase heater treater train in addition to the 2 main production lines. This will act as a redundant production train to maintain continuous measurement in the event of a maintenance issue or measurement discrepancy at the well site facility. This will also act as a secondary calibration of measurement.

**Storage:** The central tank battery will have 5 oil tanks, 1 water gun barrel, and 9 water tanks. The Test Train will also have separate 2 oil tanks and 2 water tanks. All wells will have 1 common gas delivery point on location. They will also share 1 common oil delivery point (LACT) on location.

**Allocation:** The total of all oil sales meters will be allocated to each well based on the oil allocation meter located downstream of each well's heater treater. Titus will continue to operate and maintain the Coriolis Meter per BLM applicable regulations. The total of all gas sales meters will be allocated to each well based on the gas allocation meter, located downstream of each well's vertical separator, and the low-pressure gas compressor meter. The low-pressure gas compressor meter will be allocated to each well based on oil allocation meter of each well. Gas Lift Supply gas and buyback gas will be metered with a designated orifice meter for each stream and allocated according to each individual injection orifice meter on each well prior to compression and injection. The BLM and OCD will be notified of any future changes to the facility.

**PROCESS AND FLOW DESCRIPTIONS:** The flow of the produced fluids is described above and shown in detail on the enclosed facility diagram. The proposed commingling is appropriate based on the BLM's guidance in IM NMPO 2013-02 & 43 CFR 3173.14. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will reduce operating expenses, as well as, not adversely affecting federal royalty income, production accountability, or the distribution of

Titus Oil & Gas Prod., LLC  
Application for Surface Commingle  
El Campeon Fed Com CTB 20  
Process Description

royalty. Titus Oil & Gas Production, LLC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

**Allocation of Production & Distribution of Proceeds to Working, Royalty and Overriding Royalty Interest within the Commingled Area:**

Pursuant to the Federal Com agreements in place for the Bone Spring and Wolfcamp formations within the Commingled Area, total oil and gas production, as determined from the Gas Sales Meter and LACT Unit shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to the agreement.

**Estimated Production:**

Based upon early production data obtained from the El Campeon Federal Com No. 214H (Bone Spring) and the El Campeon Federal Com Wells No. 404H and 434H, and 514H (Wolfcamp), it is estimated that the average production from the subject pools will be as follows:

WC 025 G08 S263412K; Bone Spring	Oil: 157 Bbls/Day/Well	Gas: 305 MCFG/Day/Well
Jabalina; Wolfcamp; Southwest	Oil: 703 Bbls/Day/Well	Gas: 890 MCFG/Day/Well

**Statement on Common Interest Ownership**  
El Campeon CTB 20 Surface Commingle Application

I certify that on the basis of the commingled area being subject to two Federal Com agreements that equitably allocate production on the basis of acreage, interest ownership, including working, royalty and overriding royalty interest is therefor common within the subject commingled area.

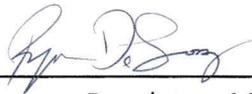
 (Ryan DeLong)  
Regulatory Manager

3/14/2022  
Date

Titus Oil & Gas Prod., LLC  
Application for Surface Commingle  
El Campeon Fed Com CTB 20  
Common Interest Statement

**Statement on the Effects of Royalty Value**  
El Campeon CTB 20 Surface Commingle Application

Per Titus Oil & Gas Production, LLC. marketing contracts, the combing of production will not negatively affect the royalty value.

 (Ryan DeLong)  
\_\_\_\_\_  
Regulatory Manager

3/14/2022  
\_\_\_\_\_  
Date

**Titus Oil & Gas Prod., LLC**  
**Application for Surface Commingle**  
**El Campeon Fed Com CTB 20**  
**Value Statement**



COMMISSIONER

Stephanie Garcia Richard

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Reed Brunette  
Titus Oil & Gas Production, LLC  
420 Throckmorton Street, Suite 1150  
Fort Worth, TX 76102

December 27<sup>th</sup>, 2021

Re: Communitization Agreement Approval  
El Campeon Federal Com #214H  
Vertical Extent: Bone Spring  
Township: 26 South, Range 35 East, NMPM  
Section 29: E2E2  
Section 32: E2NE4

Lea County, New Mexico

Dear Mr. Brunette,

The Commissioner of Public Lands has this date approved the El Campeon Federal Com #214H Communitization Agreement for the Bone Spring formation effective 8-1-2021. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for Two Years, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Baylen Lamkin at (505) 827-6628.

Sincerely,

Stephanie Garcia Richard  
Commissioner of Public Lands

**Titus Oil & Gas Prod., LLC**  
**Application for Surface Commingle**  
**El Campeon Fed Com CTB 20**  
**Approved Comm Agrmt.**



COMMISSIONER

Stephanie Garcia Richard

*State of New Mexico*  
**Commissioner of Public Lands**

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

Reed Brunette  
Titus Oil & Gas Production, LLC  
420 Throckmorton Street, Suite 1150  
Fort Worth, TX 76102

December 27<sup>th</sup>, 2021

Re: Communitization Agreement Approval  
El Campeon Federal Com #434H  
Vertical Extent: Wolfcamp  
Township: 26 South, Range 35 East, NMPM  
Section 29: E2E2  
Section 32: E2NE4

Lea County, New Mexico

Dear Mr. Brunette,

The Commissioner of Public Lands has this date approved the El Campeon Federal Com #434H Communitization Agreement for the Wolfcamp formation effective 8-1-2021. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for Two Years, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Baylen Lamkin at (505) 827-6628.

Sincerely,

Stephanie Garcia Richard  
Commissioner of Public Lands

**Titus Oil & Gas Prod., LLC**  
**Application for Surface Commingle**  
**El Campeon Fed Com CTB 20**  
**Approved Comm Agrmt.**

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
EL CAMPEON	214H	3002548108	NMNM126974	NMNM126974	TITUS OIL AND
EL CAMPEON	514H	3002548140	NMNM126974	NMNM126974	TITUS OIL AND
EL CAMPEON	404H	3002548137	NMNM126974	NMNM126974	TITUS OIL AND
EL CAMPEON	434H	3002549274	NMNM126974	NMNM126974	TITUS OIL AND

**Notice of Intent**

**Sundry ID:** 2662054

**Type of Submission:** Notice of Intent

**Date Sundry Submitted:** 03/15/2022

**Date proposed operation will begin:** 03/15/2022

**Type of Action:** Commingling (Surface) and Off-Lease Measurement

**Time Sundry Submitted:** 09:26

**Procedure Description:** Titus Oil & Gas Production, LLC is requesting approval for Surface Commingling and Off-Lease Measurement for both oil and gas in accordance with 43 CFR 3173.14(a)(1)(iii).

**Surface Disturbance**

**Is any additional surface disturbance proposed?:** No

**NOI Attachments**

**Procedure Description**

FINAL\_Application\_Packet\_EI\_Campeon\_CTB\_20\_Comingling\_20220315092603.pdf

**Conditions of Approval**

**Specialist Review**

Surface\_Comingling\_COA\_20220629122718.pdf

**Operator**

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

**Operator Electronic Signature:** RYAN DELONG

**Signed on:** MAR 15, 2022 09:26 AM

**Name:** TITUS OIL AND GAS PRODUCTION LLC

**Title:** Regulatory Manager

**Street Address:** 420 Throckmorton Street, Suite 1150

**City:** Fort Worth **State:** TX

**Phone:** (817) 852-6370

**Email address:** rdelong@titusoil.com

**Field**

**Representative Name:**

**Street Address:**

**City:** **State:** **Zip:**

**Phone:**

**Email address:**

**BLM Point of Contact**

**BLM POC Name:** Jonathon W Shepard

**BLM POC Title:** Petroleum Engineer

**BLM POC Phone:** 5752345972

**BLM POC Email Address:** jshepard@blm.gov

**Disposition:** Approved

**Disposition Date:** 06/29/2022

**Signature:** Jonathon Shepard

**From:** [Ryan DeLong](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** RE: [EXTERNAL] surface commingling application PLC-855  
**Date:** Wednesday, September 7, 2022 12:50:36 PM  
**Attachments:** [image001.png](#)  
[Approved Commingle\\_El Campeon CTB 20.pdf](#)

Mr. McClure,

I've attached the approved BLM Commingling sundry and provided the tracking and delivery confirmation for the SLO application below. Please let me know if you need anything further!

Very Respectfully,

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

▼	3/28/2022	Attn: Scott Dawson	USPS	Priority Mail®	940550920...	Delivered	\$7.90	Michel...
<b>Recipient address</b>			<b>Sender address</b>		<b>Purchased on</b>			
Attn: Scott Dawson Commissioner of Public Lands PO Box 1148 Santa Fe, NM 87504-1148, US			Titus Oil & Gas 420 Throckmorton St, Ste 1150 Fort Worth, TX 76102-3761, US		3/28/2022 1:54 PM <b>User</b> Michelle Pickard			
<b>Shipment information</b>			<b>Tracking Number</b>		<b>Cost Account</b>			
Large Envelope			9405509202121594532833		None			
Total			\$7.90					
Priority Mail®			\$7.90					

**From:** McClure, Dean, EMNRD <Dean.McClure@state.nm.us>  
**Sent:** Wednesday, September 7, 2022 1:13 PM  
**To:** Ryan DeLong <rdelong@titusoil.com>  
**Subject:** [EXTERNAL] surface commingling application PLC-855

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

Mr. DeLong,

I am reviewing surface commingling application PLC-855 which involves a commingling project that includes the El Campeon Federal Com Central Tank Battery 20 and is operated by Titus Oil & Gas Production, LLC (373986).

Please confirm that the BLM and SLO has been notified of this application. A print off of the sundry submitted to the BLM will suffice, but either a certified tracking number or else approval letter from the SLO will be required regarding notice to the SLO.

Dean McClure  
 Petroleum Engineer, Oil Conservation Division  
 New Mexico Energy, Minerals and Natural Resources Department  
 (505) 469-8211

**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Ryan DeLong](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](mailto:lisa@rwbyram.com); [Paradis, Kyle O](#); [Walls, Christopher](#); [Dawson, Scott](#)  
**Subject:** Approved Administrative Order PLC-855  
**Date:** Wednesday, September 14, 2022 12:22:00 PM  
**Attachments:** [PLC855 Order.pdf](#)

NMOCD has issued Administrative Order PLC-855 which authorizes Titus Oil & Gas Production, LLC (373986) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-48108	El Campeon Federal Com #214H	E/2 E/2	29-26S-35E	96672
		E/2 NE/4	32-26S-35E	
30-025-48137	El Campeon Federal Com #404H	E/2 E/2	29-26S-35E	96776
		E/2 NE/4	32-26S-35E	
30-025-49274	El Campeon Federal Com #434H	E/2 E/2	29-26S-35E	96776
		E/2 NE/4	32-26S-35E	
30-025-48140	El Campeon Federal Com #514H	E/2 E/2	29-26S-35E	96776
		E/2 NE/4	32-26S-35E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure  
 Petroleum Engineer, Oil Conservation Division  
 New Mexico Energy, Minerals and Natural Resources Department  
 (505) 469-8211

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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY TITUS OIL & GAS PRODUCTION, LLC**

**ORDER NO. PLC-855**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Titus Oil & Gas Production, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

**CONCLUSIONS OF LAW**

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable,

approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
9. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
10. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE E. SANDOVAL  
DIRECTOR**

DATE: 9/14/2022

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: PLC-855

Operator: Titus Oil & Gas Production, LLC (373986)

Central Tank Battery: El Campeon Federal Com Central Tank Battery 20

Central Tank Battery Location: UL K, Section 20, Township 26 South, Range 35 East

Gas Title Transfer Meter Location: UL K, Section 20, Township 26 South, Range 35 East

### Pools

Pool Name	Pool Code
WC-025 G-08 S263412K; BONE SPRING	96672
JABALINA; WOLFCAMP, SOUTHWEST	96776

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 125400	E/2 E/2	29-26S-35E
VB 25630002	E/2 NE/4	32-26S-35E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-48108	El Campeon Federal Com #214H	E/2 E/2	29-26S-35E	96672
		E/2 NE/4	32-26S-35E	
30-025-48137	El Campeon Federal Com #404H	E/2 E/2	29-26S-35E	96776
		E/2 NE/4	32-26S-35E	
30-025-49274	El Campeon Federal Com #434H	E/2 E/2	29-26S-35E	96776
		E/2 NE/4	32-26S-35E	
30-025-48140	El Campeon Federal Com #514H	E/2 E/2	29-26S-35E	96776
		E/2 NE/4	32-26S-35E	

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit B

Order: PLC-855  
Operator: Titus Oil & Gas Production, LLC (373986)

### Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Wolfcamp NMNM 105726223	E/2 E/2	29-26S-35E	233.64	A
	E/2 NE/4	32-26S-35E		
CA Bone Spring NMNM 105726222	E/2 E/2	29-26S-35E	233.64	B
	E/2 NE/4	32-26S-35E		

### Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 125400	E/2 E/2	29-26S-35E	160	A
VB 25630002	E/2 NE/4	32-26S-35E	73.64	A
NMNM 125400	E/2 E/2	29-26S-35E	160	B
VB 25630002	E/2 NE/4	32-26S-35E	73.64	B

**District I**  
 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

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 92978

**CONDITIONS**

Operator: Titus Oil & Gas Production, LLC 420 Throckmorton St, Ste 1150 Fort Worth, TX 76012	OGRID: 373986
	Action Number: 92978
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	9/14/2022