

**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 (“Titus”), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), 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-21205.¹ 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 [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.
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.

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. Titus requests the Division re-open the matter to extend the time to commence drilling the Pakse South 221H Well and the Pakse South 222H Well to be no later than April 7, 2022, which will be a one-year extension from the time to commence drilling granted in Order No. R-21205.

5. The Division Hearing in the original proceeding, Case No. 20898, was held on February 20, 2020, , in conjunction with two other Titus cases, Case Nos. 20897 and 20899.

6. The Division entered Order No. R-21205 in Case No. 20898 on April 7, 2020.

7. 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.”

8. Under Order No. R-21205, Titus would be required to commence drilling the wells by April 7, 2021.

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 COVID-19 and current market conditions. In addition, the new federal administration has recently entered an executive order that may impact federal permitting, right-of-way, and sundries among other federal approvals needed prior to drilling.

11. Titus’s operations and drilling activity have been impacted by COVID-19, oil and gas market conditions, and the changes and uncertainty resulting from the executive order.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 4, 2021, 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, 2022.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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