

**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-21259,
LEA COUNTY, NEW MEXICO**

**Case No. _____
Order No. R-21259
(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-21259 entered in Case No. 21128 to extend the time for drilling the **El Campeon South Fed Com 431H** well (API #30-025-47828) (“El Campeon South 431H Well”) approved in Order No. R-21259. In support of its application, Titus states as follows:

1. Order No. R-21259 pooled uncommitted interest owners in the Wolfcamp formation (WC-025 G-09 S263619C [98234]) in a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the W/2 SW/4 of Section 29, Township 26 South, Range 35 East, and the NW/4 NW/4 and Lot 4 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the El Campeon South 431H Well.
2. Titus is a working interest owner in the HSU and has the right to drill thereon.
3. Order No. R-21259 designated Titus as the operator of the El Campeon South 431H Well and the HSU.

4. Titus requests the Division re-open the matter to extend the time to commence drilling the El Campeon South 431H Well to be no later than April 18, 2022, which will be a one-year extension from the time to commence drilling granted in Order No. R-21259.

5. The Division Hearing in the original proceeding, Case No. 21128, was held on March 5, 2020.

6. The Division entered Order No. R-21259 in Case No. 21128 on April 18, 2020.

7. The Division issued a second order in Case No. 21128, Order No. R-21259-A, on June 2, 2020. Order No. R-21259-A corrected one non-substantive error in Order No. R-21259. Order No. R-21259-A provided that Order No. 21259 remained in full force and effect with respect to all other provisions. Titus is not requesting that Order No. R-21259-A be amended.

8. Order No. R-21259, ¶ 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-21259, ¶ 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.”

9. Under Order No. R-21259, Titus would be required to commence drilling the well by April 18, 2021.

10. Good cause exists for the Division to grant the extension.

11. 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.

12. Titus's operations and drilling activity have been impacted by COVID-19 and oil and gas market conditions.

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-21259 to extend the time to commence drilling the El Campeon South 431H Well to be no later than April 18, 2022.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

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