

**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-21320,
LEA COUNTY, NEW MEXICO**

Case No. _____
Order No. **R-21320**
(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-21320 entered in Case No. 21200 to extend the time for drilling the **Love Shack Fed Com 321H** well (API # 30-025-48402) (“Love Shack 321H Well”).¹ In support of its application, Titus states as follows:

1. Order No. R-21320 pooled uncommitted interest owners in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) in a standard 320-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 W/2 of Section 17 and the W/2 W/2 of Section 8, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the Love Shack 321H Well.
2. Titus is a working interest owner in the HSU and has the right to drill thereon.
3. Order No. R-21320 designated Titus as the operator of the Love Shack 321H Well and the HSU.

¹ Order No. R-21320 entered in Case No. 21200 is one of two orders relating to Titus’s “Love Shack” well group. By separate application, Titus is seeking to amend Order No. R-21321 entered in Case No. 21201.

4. Titus requests the Division re-open the matter to extend the time to commence drilling the Love Shack 321H Well to be no later than May 7, 2022, which will be a one-year extension from the time to commence drilling granted in Order No. R-21320.

5. The Division Hearing in the original proceeding, Case No. 21200, was held on April 30, 2020, in conjunction with one other Titus case, Case No. 21201.

6. The Division entered Order No. R-21320 in Case No. 21200 on May 7, 2020.

7. The Division issued a second order in Case No. 21200, Order No. R-21320-A, on June 3, 2020. Order No. R-21320-A corrected one non-substantive error in Order No. R-21320. Order No. R-21320-A provided that Order No. 21320 remained in full force and effect with respect to all other provisions. Titus is not requesting that Order No. R-21320-A be amended.

8. Order No. R-21320, ¶ 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-21320, ¶ 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. 21320, Titus would be required to commence drilling the well by May 7, 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, 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-21320 to extend the time to commence drilling the Love Shack 321H Well to be no later than May 7, 2022.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

John F. McIntyre

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 986-2678

sshaheen@montand.com

jmcintyre@montand.com

Attorneys for Titus Oil & Gas Production, LLC