

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

APPLICATION OF TITUS OIL & GAS
PRODUCTION, LLC, FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO

Case No. **21615**

APPLICATION OF TITUS OIL & GAS
PRODUCTION, LLC, FOR COMPULSORY
POOLING AND FOR APPROVAL OF NON-STANDARD
LOCATIONS, EDDY COUNTY, NEW MEXICO

Case No. **21616**



Chicken Noodle Fed Com Wells

301H, 401H, & 402H

February 18, 2021

Table of Contents

	Tab
Checklists.....	1
Applications.....	2
Landman Affidavit – Exhibit A.....	3
Landman Exhibits – Case Nos. 21615 & 21616.....	4
Exhibit A-1: General Location Map	
Exhibit A-2: Tract Map	
Exhibit A-3: HSU Ownership and Wellbores	
Exhibit A-4: Chronology of Contacts	
Exhibit A-5: C-102s	
Exhibit A-6: Well Proposal Letters and AFEs	
Exhibit A-7: Notice Letter	
Geologist Affidavit – Exhibit B.....	5
Geology Exhibits – Case No. 21615—Chicken Noodle Fed Com 301H (Bone Spring)	6
Exhibit B-1: Geological Summary	
Exhibit B-2: Locator Map with Cross-Section	
Exhibit B-3: Spacing Unit Schematic	
Exhibit B-4: Structure Map	
Exhibit B-5: Isopach Map	
Exhibit B-6: HSU Cross-Section	
Exhibit B-7: Gunbarrel Diagram	
Geology Exhibits – Case No. 21616— Chicken Noodle Fed Com 401H & 402H (Wolfcamp) ..	7
Exhibit B-1: Geological Summary	
Exhibit B-2: Locator Map with Cross-Section	
Exhibit B-3: Spacing Unit Schematic	
Exhibit B-4: Structure Map	
Exhibit B-5: Isopach Map	
Exhibit B-6: HSU Cross-Section	
Exhibit B-7: Gunbarrel Diagram	
Affidavit of Notice – Exhibit C	8

Tab 1

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21615	APPLICANT'S RESPONSE
Date	February 18, 2021
Applicant	Titus Oil & Gas Production, LLC
Designated Operator & OGRID (affiliation if applicable)	373986
Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon Shaheen & John McIntyre)
Case Title:	Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Chicken Noodle Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code:	WC-015 G-02 S262503L; Bone Spring [97945]
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	480 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	South-North
Description: TRS/County	W2 of Section 2 and NW4 of Section 11, 26S-25E, Eddy County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes; see Exhibit A at 2-3, paras. 7-8; see also Exhibit A-2
Proximity Defining Well: if yes, description	Chicken Noodle Fed Com 301H
Applicant's Ownership in Each Tract	Tract 1 (100%); Tract 2 (0%); see Exhibit A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Chicken Noodle Fed Com 301H, API No. 30-015-Pending SHL: 2433' FSL and 574' FWL, Section 11-T26S-R25E, NMPM BHL: 10' FNL and 1320' FWL, Section 2-T26S-R25E, NMPM Completion Target: Third Bone Spring at approx. 8,226 Feet TVD Well Orientation: South to North Completion location expected to be standard
Horizontal Well First and Last Take Points	FTP (~2546' FNL and 1320' FWL of Section 11-T26S-R25E); LTP (~100' FNL and 1320' FWL of Section 2-T26S-R25E)
Completion Target (Formation, TVD and MD)	Third Bone Spring - TVD (~8,226'), MD (~16,036')
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000; see Exhibit A, ¶ 23
Production Supervision/Month \$	\$800; see Exhibit A, ¶ 23
Justification for Supervision Costs	Please see AFE at Exhibit A-6
Requested Risk Charge	200%; see Exhibit A, ¶ 24
Notice of Hearing	
Proposed Notice of Hearing	Submitted with online filing of Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C; see Exhibit A-7
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	See Exhibits A-2 & A-3
Tract List (including lease numbers and owners)	Exhibits A-2 & A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit A-6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	n/a
Cost Estimate to Drill and Complete	See AFE at Exhibit A-6
Cost Estimate to Equip Well	See AFE at Exhibit A-6
Cost Estimate for Production Facilities	See AFE at Exhibit A-6
Geology	
Summary (including special considerations)	Exhibit B-1
Spacing Unit Schematic	Exhibit B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-7
Well Orientation (with rationale)	Exhibit B-1
Target Formation	Exhibits B-5 & B-6

HSU Cross Section	Exhibit B-6
Depth Severance Discussion	n/a; see Exhibit A, ¶ 16
Forms, Figures and Tables	
C-102	Exhibit A-5
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-2 & A-3
General Location Map (including basin)	Exhibit A-1
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-6
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
Signed Name (Attorney or Party Representative):	<i>Sharon T. Shaheen</i>
Date:	2/16/2021

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21616	APPLICANT'S RESPONSE
Date	February 18, 2021
Applicant	Titus Oil & Gas Production, LLC
Designated Operator & OGRID (affiliation if applicable)	373986
Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon Shaheen & John McIntyre)
Case Title:	Application of Titus Oil & Gas Production, LLC for Compulsory Pooling Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Chicken Noodle Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	Purple Sage; Wolfcamp (Gas) [98220]
Well Location Setback Rules:	Purple Sage special pool rules (SHL, BHL, & completed interval); Statewide rules (FTP & LTP)
Spacing Unit Size:	480 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480 acres, more or less
Building Blocks:	Quarter section (160 ac)
Orientation:	South-North
Description: TRS/County	W2 of Section 2 and NW4 of Section 11, 26S-25E, Eddy County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Tract 1 (100%); Tract 2 (0%); see Exhibit A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	Chicken Noodle Fed Com 401H, API No. 30-015-Pending SHL: 2433' FSL and 604' FWL, Section 11-T26S-R25E, NMPM BHL: 10' FNL and 380' FWL, Section 2-T26S-R25E, NMPM Completion Target: Wolfcamp XY at approx. 8,320 Feet TVD Well Orientation: South to North Completion location expected to be non-standard as approved by NSL-8113; see Exhibit A, ¶¶ 10-12
Well #2	Chicken Noodle Fed Com 402H, API No. 30-015-Pending SHL: 2437' FSL and 1662' FWL, Section 11-T26S-R25E, NMPM BHL: 10' FNL and 2325' FWL, Section 2-T26S-R25E, NMPM Completion Target: Wolfcamp XY at approx. 8,374 Feet TVD Well Orientation: South to North Completion location expected to be non-standard as approved by NSL-8114; see Exhibit A, ¶¶ 10-12
Horizontal Well First and Last Take Points	
Well #1	FTP (~2541' FNL and 380' FWL of Section 11-T26S-R25E); LTP (~100' FNL and 380' FWL of Section 2-T26S-R25E)
Well #2	FTP (~2550' FNL and 2336' FWL of Section 11-T26S-R25E); LTP (~100' FNL and 2325' FWL of Section 2-T26S-R25E)
Completion Target (Formation, TVD and MD)	
Well #1	Wolfcamp XY - TVD (~8,320'), MD (~16,130')
Well #2	Wolfcamp XY - TVD (~8,374'), MD (~16,184')
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000; see Exhibit A, ¶ 23
Production Supervision/Month \$	\$800; see Exhibit A, ¶ 23
Justification for Supervision Costs	Please see AFE at Exhibit A-6
Requested Risk Charge	200%; see Exhibit A, ¶ 24
Notice of Hearing	
Proposed Notice of Hearing	Submitted with online filing of Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C; see Exhibit A-7
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	See Exhibits A-2 & A-3
Tract List (including lease numbers and owners)	Exhibits A-2 & A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit A-6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Released by Imaging at 2/16/2021 4:11:39 PM Working Interests	Exhibit A-4

Overhead Rates In Proposal Letter	n/a
Cost Estimate to Drill and Complete	See AFEs at Exhibit A-6
Cost Estimate to Equip Well	See AFEs at Exhibit A-6
Cost Estimate for Production Facilities	See AFEs at Exhibit A-6
Geology	
Summary (including special considerations)	Exhibit B-1
Spacing Unit Schematic	Exhibit B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-7
Well Orientation (with rationale)	Exhibit B-1
Target Formation	Exhibits B-5 & B-6
HSU Cross Section	Exhibit B-6
Depth Severance Discussion	n/a; see Exhibit A, ¶ 16
Forms, Figures and Tables	
C-102	Exhibit A-5
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-2 & A-3
General Location Map (including basin)	Exhibit A-1
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-6
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
Signed Name (Attorney or Party Representative):	<i>Sharon T. Shaheen</i>
Date:	2/16/2021

Tab 2

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. 21615

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 pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Bone Spring formation (WC-015 G-02 S262503L [97945]) underlying a 480-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Section 2 and the NW/4 of Section 11, all within Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico. In support of its application, Titus states as follows:

1. Titus is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Titus proposes to drill the following 1.5-mile well in the proposed HSU: **Chicken Noodle Fed Com 301H** well, to be horizontally drilled from an approximate surface hole location 2433’ FSL and 574’ FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10’ FNL and 1320’ FWL of Section 2, T26S-R25E.
3. The first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

4. The completed interval is proposed to lay south to north along the east/west boundary of the quarter-quarter sections. Titus proposes to include six quarter-quarter sections as proximity tracts under 19.15.16.15(B)(1)(b) NMAC.

5. Titus has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

6. Approval of the HSU and the pooling of all mineral interest owners in the Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to permit Titus to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Titus should be designated the operator of the HSU.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2020, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a 480-acre, more or less, horizontal spacing and proration unit comprised of the W/2 of Section 2, Township 26 South, Range 25 East, and the NW/4 of Section 11, Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation underlying the HSU;

C. Allowing the drilling of the Chicken Noodle Fed Com 301H;

D. Designating Titus as operator of the HSU and the well to be drilled thereon;

E. Authorizing Titus to recover its costs of drilling, equipping and completing the well;

F. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% penalty for the risk assumed by Titus in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

John F. McIntyre

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Attorneys for Titus Oil & Gas Production, LLC

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR COMPULSORY POOLING AND FOR APPROVAL OF
NON-STANDARD LOCATIONS,
EDDY COUNTY, NEW MEXICO**

Case No. 21616

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 pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) [98220]) underlying a standard 480-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Section 2 and the NW/4 of Section 11, all within Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico. In support of its application, Titus states as follows:

1. Titus is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Titus proposes to drill the following 1.5-mile wells in the proposed HSU:
 - **Chicken Noodle Fed Com 401H** well, to be horizontally drilled from an approximate surface hole location 2433’ FSL and 604’ FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10’ FNL and 380’ FWL of Section 2, T26S-R25E.
 - **Chicken Noodle Fed Com 402H** well, to be horizontally drilled from an approximate surface hole location 2437’ FSL and 1662’ FWL of Section 11, T26S-

R25E, to an approximate bottom hole location 10' FNL and 2325' FWL of Section 2, T26S-R25E.

3. The surface and bottomhole locations are within the designated setbacks in the applicable special pool rules. The completed intervals are within the designated setbacks in the applicable special pool rules. Statewide pool rules apply to the first and last take points, which are not within the requisite setbacks. Applicant therefore requests approval of an unorthodox location for these wells.

4. Titus has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

5. Approval of the HSU and the pooling of all mineral interest owners in the Wolfcamp formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit Titus to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Titus should be designated the operator of the HSU.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2020, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 480-acre, more or less, horizontal spacing and proration unit comprised of the W/2 of Section 2, Township 26 South, Range 25 East, and the NW/4 of Section 11, Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico;

B. Pooling all mineral interests in the Wolfcamp formation underlying the HSU;

C. Allowing the drilling of the following 1.5 mile wells in the HSU: (1) Chicken Noodle Fed Com 401H, and (2) Chicken Noodle Fed Com 402H;

D. Approving the non-standard location of the first and last take points for both wells;

E. Designating Titus as operator of the HSU and the wells to be drilled thereon;

F. Authorizing Titus to recover its costs of drilling, equipping, and completing the wells;

G. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

H. Imposing a 200% penalty for the risk assumed by Titus in drilling and completing the wells against any interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

John F. McIntyre

Post Office Box 2307

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Attorneys for Titus Oil & Gas Production, LLC

Tab 3

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. 21615

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR COMPULSORY POOLING AND FOR APPROVAL OF
NON-STANDARD LOCATIONS,
EDDY COUNTY, NEW MEXICO**

Case No. 21616

AFFIDAVIT OF REED BRUNETTE

I, being duly sworn on oath, state the following:

1. I am over the age of 18 and have the capacity to execute this Affidavit, which is based on my personal knowledge.
2. I am employed as a Staff Landman with Titus Oil & Gas Production, LLC ("Titus"), and I am familiar with the subject applications and the lands involved.
3. This affidavit is submitted in connection with the filings by Titus of the above-referenced compulsory pooling applications pursuant to 19.15.4.12(A)(1) NMAC.
4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record. My education and work experience are as follows: I graduated from The University of Texas in 2014 with a liberal arts degree in earth science and a certificate in the Energy Management Program. I have been employed by Titus since 2018. Prior to being employed by Titus, I worked for Apache Corporation as a Land Analyst in

Exhibit A
Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21615 & 21616
February 18, 2021

Texas and Bergman Resources, LLC as a Landman in Texas and New Mexico. I have been working on New Mexico oil and gas matters for approximately five years.

5. The purpose of these applications is to force pool all uncommitted interest owners, including working interest owners into the horizontal spacing and proration units ("HSU") described below and in the wells to be drilled in those units.

6. No opposition is expected. The interest owners being pooled have been contacted regarding the proposed well but have failed or refused to voluntarily commit their interests in the wells.

7. In **Case No. 21615**, Titus seeks an order pooling all uncommitted interests in the Bone Spring (Oil) formation (WC-015 G-02 S262503L [97945]) underlying a 480-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 of Section 2 and the NW/4 of Section 11, all within Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico. Titus proposes to drill the following well in the HSU: **Chicken Noodle Fed Com 301H** well, to be horizontally drilled from an approximate surface hole location 2433' FSL and 574' FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10' FNL and 1320' FWL of Section 2, T26S-R25E. The proposed true vertical depth is approximately 8,226' and the total measured depth is approximately 16,036'. The first take point will be located at approximately 2546' FNL and 1320' FWL of Section 11-T26S-R25E, and the last take point will be located at approximately 100' FNL and 1320' FWL of Section 2-T26S-R25E. The completed interval and first and last take points for this well will meet statewide setback requirements for horizontal wells. The completed interval is proposed to lay south to north along the east/west boundary of the quarter-quarter sections. Titus proposes to include six quarter-quarter sections as proximity tracts under 19.15.16.15(B)(1)(b) NMAC.

8. Titus determined that including six quarter-quarter section proximity tracts in the HSU for Case No. 21615 is in the best interest of development, including being in the best interest of conservation, the prevention of waste, and the protection of correlative rights, because the 301H is targeting the basal 3rd Bone Spring that is likely a part of the same flow unit as the Wolfcamp XY targeted by the 401H and 402H in this drilling unit; and thus, is evenly spaced between the deeper wells. Titus believes that the three wells in this flow unit within the horizontal spacing unit is the proper development spacing based on internal modeling and monitoring of nearby well results.

9. In **Case No. 21616**, Titus seeks an order pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) [98220]) underlying a standard 480-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 of Section 2 and the NW/4 of Section 11, all within Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico. Titus proposes to drill the following wells in the HSU:

- **Chicken Noodle Fed Com 401H** well ("401H"), to be horizontally drilled from an approximate surface hole location 2433' FSL and 604' FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10' FNL and 380' FWL of Section 2, T26S-R25E. The proposed true vertical depth is approximately 8,320' and the total measured depth is approximately 16,130'. The first take point will be located at approximately 2541' FNL and 380' FWL of Section 11-T26S-R25E, and the last take point will be located at approximately 100' FNL and 380' FWL of Section 2-T26S-R25E. The surface and bottomhole locations are within the designated setbacks in the applicable special pool rules. The completed intervals are within the designated setbacks in the applicable special pool rules.

- **Chicken Noodle Fed Com 402H** well (“402H”), to be horizontally drilled from an approximate surface hole location 2437’ FSL and 1662’ FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10’ FNL and 2325’ FWL of Section 2, T26S-R25E. The proposed true vertical depth is approximately 8,374’ and the total measured depth is approximately 16,184’. The first take point will be located at approximately 2550’ FNL and 2336’ FWL of Section 11-T26S-R25E, and the last take point will be located at approximately 100’ FNL and 2325’ FWL of Section 2-T26S-R25E. The surface and bottomhole locations are within the designated setbacks in the applicable special pool rules. The completed intervals are within the designated setbacks in the applicable special pool rules.

10. Statewide pool rules apply to the first and last take points in Case No. 21616. The proposed 401H and 402H wells are not within the setbacks for first and last take points of horizontal gas wells, as set forth in 19.15.16.15(C)(1)(b) NMAC.

11. On or about December 15, 2020, Titus requested administrative approval of non-standard locations (“NSL”) for the 401H and the 402H.

12. Titus properly notified all NSL-affected persons pursuant to Division Rule 19.15.4.12(A)(2) NMAC. No protests were filed and, on January 6, 2021, the Division approved the NSL locations in Administrative Order NSL-8113 (401H) and Administrative Order NSL-8114 (402H).

13. Attached hereto are supporting Exhibits A-1 through A-7.

14. A general location map, including the basin, is included as **Exhibit A-1**.

15. Maps illustrating the tracts in the proposed HSUs and the ownership of each individual tract, including the proximity tracts, can be found in **Exhibit A-2**.

16. The ownership breakdown of interests and list of parties to be pooled can be found at **Exhibit A-3**. There are no depth severances.

17. A chronology of contacts with the non-joined working interest owners is attached as **Exhibit A-4**.

18. The locations of the proposed wells within the respective HSUs are depicted in the draft C-102 Forms attached as **Exhibit A-5**. The draft C-102 Forms also indicate the locations of the surface holes, the bottom holes, and the first and last take points.

19. I have conducted a diligent search of the public records in Eddy County, New Mexico, where the wells will be located, and conducted phone directory and computer searches to obtain contact information for parties entitled to notification. I mailed all parties well proposals, including an Authorization for Expenditure (“AFE”) for each well.

20. **Exhibit A-6** includes sample copies of the well proposal letters and AFEs for the proposed wells. The estimated costs of the wells set forth in the AFEs are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

21. **Exhibit A-7** includes copies of the notice letters that were sent with the applications to all of the uncommitted interest owners in the proposed HSUs.

22. Titus has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

23. Titus requests the Division to approve operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures

24. Titus requests the maximum cost, plus 200% risk charge, be assessed against non-consenting working interest owners.

25. Titus requests that it be designated operator of the wells.

26. The Exhibits to this Affidavit were prepared by me, or compiled from Titus's business records.

27. The granting of these Applications is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

28. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT



Reed Brunette

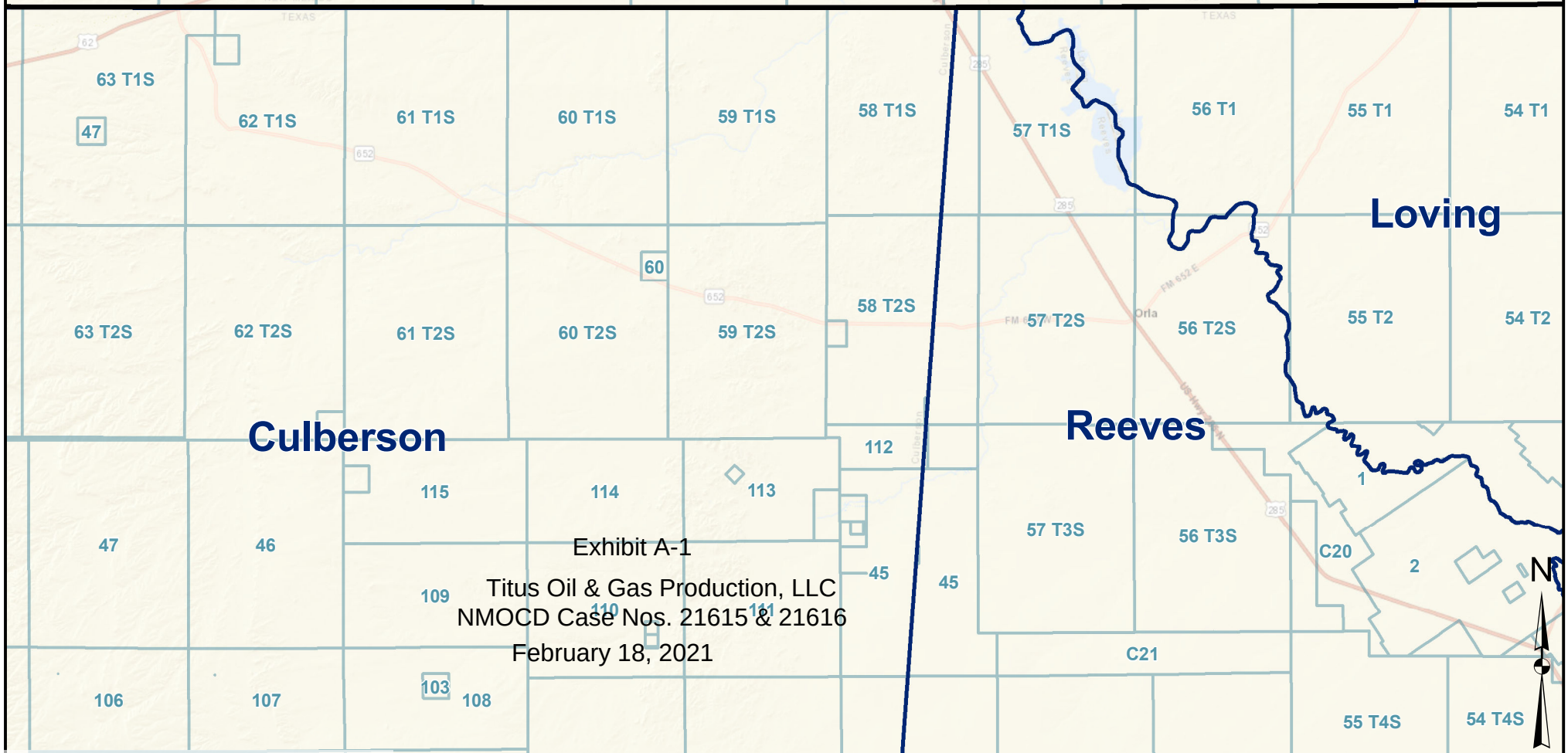
STATE OF TEXAS)
)ss
COUNTY OF TARRANT)

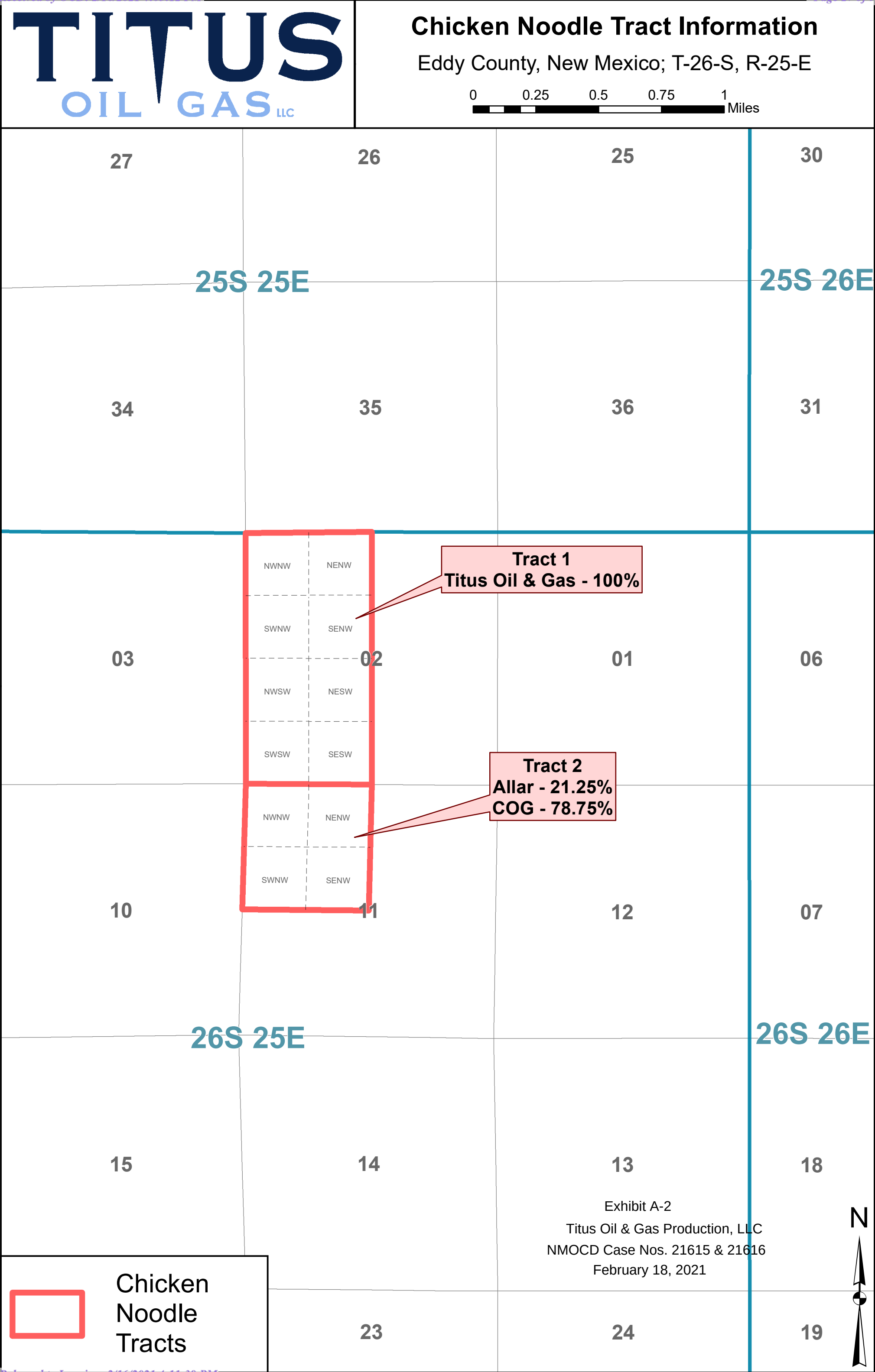
Subscribed to and sworn before me this ____ day of February, 2021.

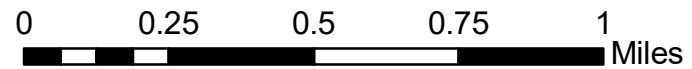
Notary Public

My Commission expires _____.

Tab 4







Chicken Noodle Pooling Contact Log			
Contact	Type	Notes	Contact Info
Concho	Emails and Phonecalls	12/4/20 - Concho emailed me asking if we had a title opinion and for an updated spud date 12/4/20 - I responded that the tentative plan is to spud Q3 or Q4 2021. 12/7/20 - I told Concho that we don't plan on getting a title opinion until we are closer to spud 1/4/21 - Concho called and asked if we could continue the hearing. I told them we could continue it until the Feb. 18 hearing 1/5/21 - Concho's area land group said they spoke to their BD group and that the area land group would be taking over Chicken Noodle discussions concerning us buying their interest. Also asked what we show their interest to be in wells 1/6/21 - They had a question about the number of well proposals/permits and I told them that we proposed 4 but our plans are now to pool and drill 3 of them. 1/21/21 - I emailed them that our original offer was as high as we could go 1/26/21 - They called and asked if we had permits and I told them I would look into it, but did not think that these were some that were pending approval prior to the BLM 60-day permitting hold. They also asked that if we move forward with the pooling and get a pooling order without permits, that we do not advance bill until much closer to spud. I told them that I do not anticipate that we would advance any billing until we get close to spud. I also sent them an email with our 10/22/20 well proposals with our term assignment offer of \$250/net acre for a 3 year term and delivering 80% NRI 2/2/21 - Concho emailed me asking for clarification on our offer because they remembered us discussing \$500/na 2/3/21 - I sent a new offer outlining two different options 2/10/21 - Concho called to ask about the ROWs. I told them I didn't think we had gotten to this yet but that I would ask our Regulatory Manager about it. I emailed them later to say that we have not done any ROWs yet	Maggie McDaniel (432) 684-4323 mmcdaniel@concho.com
Allar			

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
	97945	WC 015 G-02 S262503L; Bone Spring
4 Property Code	5 Property Name	6 Well Number
	CHICKEN NOODLE FED COM	301H
7 OGRID No.	8 Operator Name	9 Elevation
	TITUS OIL & GAS PRODUCTION LLC	3638'

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	11	26-S	25-E		2433'	SOUTH	574"	WEST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	2	26-S	25-E		10'	NORTH	1320'	WEST	EDDY

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
480	Y		

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

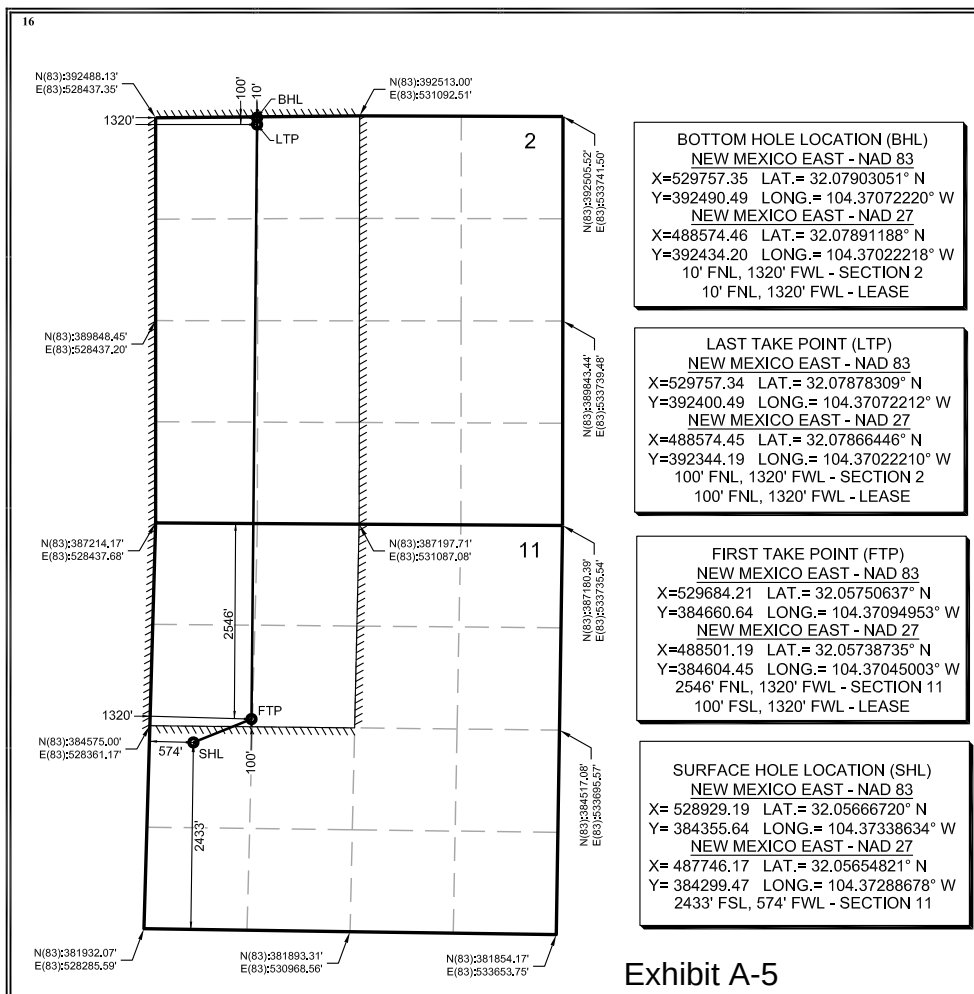


Exhibit A-5

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature *Ryan DeLong* Date 10/23/2020

Printed Name Ryan DeLong - Regulatory Manager

E-mail Address rdelong@titusoil.com

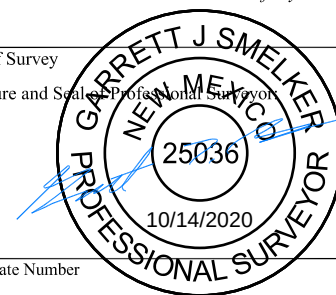
18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number



Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21615 & 21616
February 18, 2021

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code 98220	3 Pool Name Purple Sage; Wolfcamp
4 Property Code	5 Property Name CHICKEN NOODLE FED COM	6 Well Number 401H
7 OGRID No.	8 Operator Name TITUS OIL & GAS PRODUCTION LLC	9 Elevation 3638'

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	11	26-S	25-E		2433'	SOUTH	604'	WEST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	2	26-S	25-E		10'	NORTH	380'	WEST	EDDY

12 Dedicated Acres 480	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

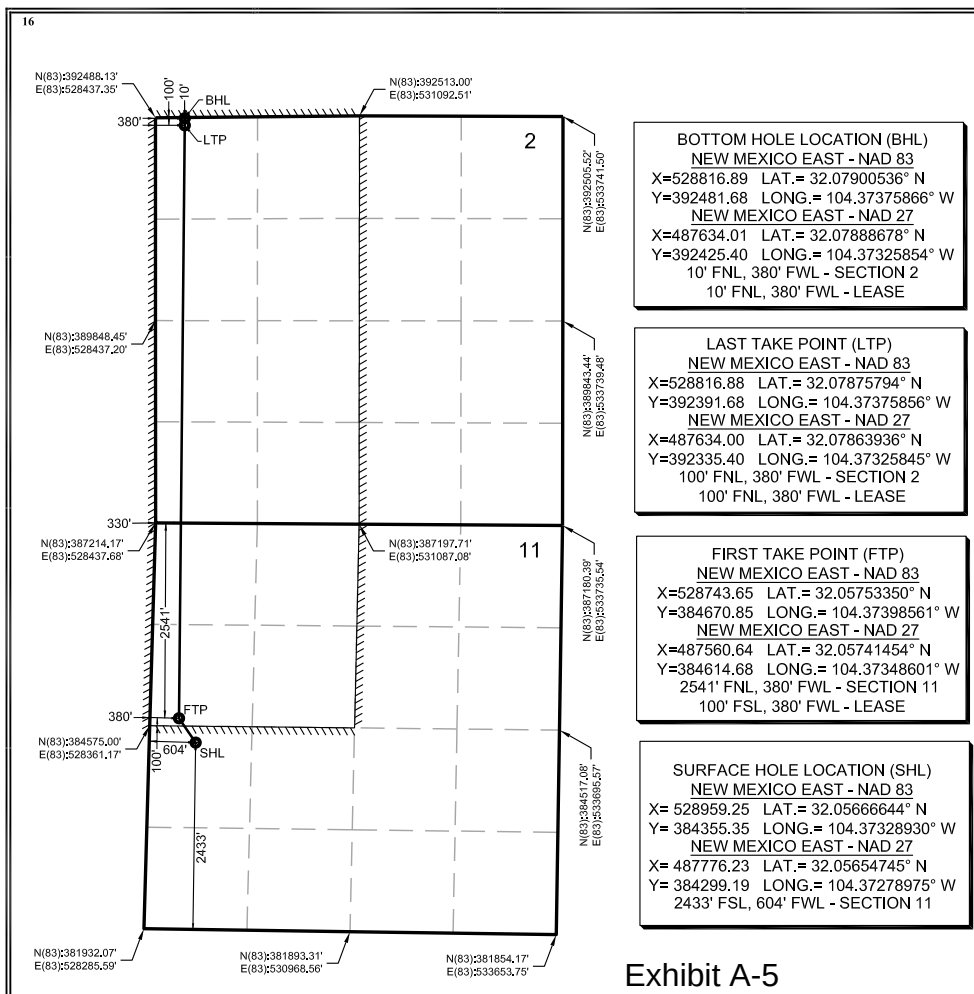


Exhibit A-5

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature  Date 10/23/2020

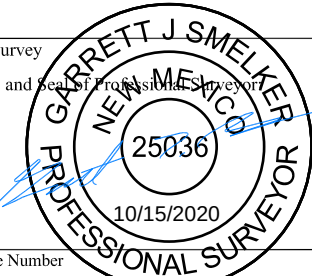
Printed Name Ryan DeLong - Regulatory Manager

E-mail Address rdelong@titusoil.com

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
Signature and Seal of Professional Surveyor


Certificate Number

Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21615 & 21616
February 18, 2021

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Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code 98220	3 Pool Name Purple Sage; Wolfcamp
4 Property Code	5 Property Name CHICKEN NOODLE FED COM	6 Well Number 402H
7 OGRID No.	8 Operator Name TITUS OIL & GAS PRODUCTION LLC	9 Elevation 3632'

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	11	26-S	25-E		2437'	SOUTH	1662'	WEST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	2	26-S	25-E		10'	NORTH	2325'	WEST	EDDY

12 Dedicated Acres 480	13 Joint or Infill Y	14 Consolidation Code	15 Order No.
---------------------------	-------------------------	-----------------------	--------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

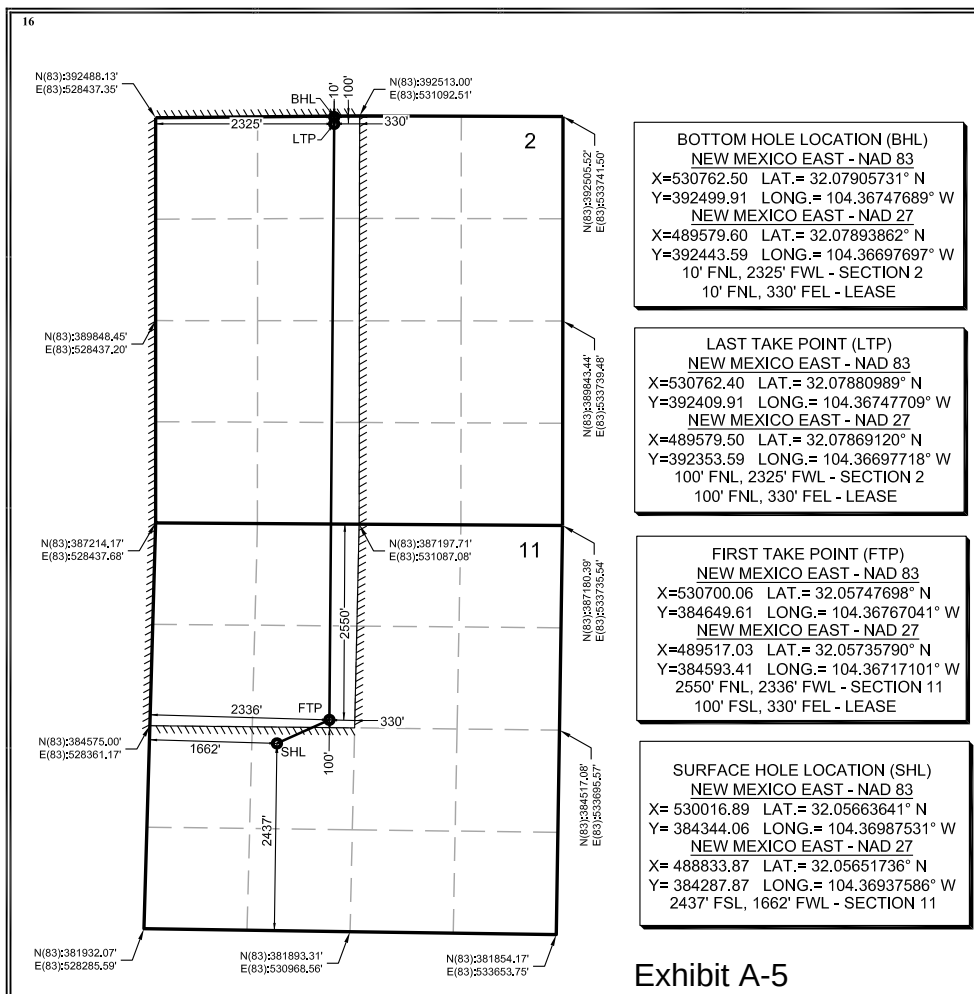


Exhibit A-5

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature *Ryan DeLong* Date 10/23/2020

Printed Name Ryan DeLong - Regulatory Manager

E-mail Address rdelong@titusoil.com

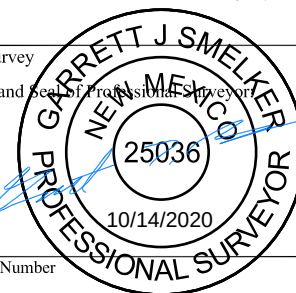
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I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number



Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21615 & 21616
February 18, 2021

Titus Oil & Gas Production, LLC

420 Throckmorton St., Suite 1150

Fort Worth, Texas 76102

October 22, 2020

Sent via USPS

COG Operating, LLC

600 W. Illinois Ave.

Midland, TX 79701

RE: Chicken Noodle Fed Com 301H Well Proposal
T26S-R25E
Eddy County, New Mexico

Dear Working Interest Owner,

Reference is made to the well proposals dated September 4, 2020. After careful consideration, Titus Oil & Gas Production, LLC ("Titus") has decided to change the orientation of the wells and revoke the aforementioned well proposals. Titus, as Operator, hereby proposes the drilling of the Chicken Noodle Fed Com 301H ("Subject Well") to an approximate True Vertical Depth of 8,226' and an approximate Total Measured Depth of 16,036' in order to test the Bone Spring formation. The proration unit will cover the W2 of Section 2 and the NW4 of Section 11, T26S-R25E, Eddy County, New Mexico.

The estimated cost of drilling, completing, and equipping the Subject Well is \$6,919,350, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated October 22, 2020. The Subject Well's surface location will be located approximately 2433' FSL and 574' FWL of Section 11, T26S-R25E. The Subject Well's bottom-hole location will be approximately 10' FNL and 1320' FWL, Section 2, T26S-R25E. The Subject Well's first take point will be approximately 2546' FNL and 1320' FWL of Section 11, T26S-R25E, and the last take point will be approximately 100' FNL and 1320' FWL, Section 2, T26S-R25E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- 80% NRI delivered, proportionately reduced
- \$250 per net acre bonus consideration
- Subject to a mutually agreeable form of Term Assignment
- This offer shall expire thirty (30) days from the date of this letter

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within thirty (30) days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined herein.

Sincerely,



Reed Brunette

Landman

(817) 852-6717

rbrunette@titusoil.com

Exhibit A-6

Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21615 & 21616

February 16, 2021

Please select one of the following and return:

_____ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the Chicken Noodle Fed Com 301H.

_____ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the Chicken Noodle Fed Com 301H.

_____ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

COG Operating, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

TITUS		Titus Oil & Gas Production, LLC		Prepared by: Smith / Hinkel	
Proposed Authorization for Expenditure.				Date Prepared: 10/22/2020	
Well Name	Chicken Noodle Fed Com 301H	MD / TVD	16,036'	8,226'	
Legal	Sections 2 & 11, 26S-25E	Cty / State	Eddy	NM	
Formation	Bone Spring	Field	Wildcat		
INTANGIBLE COSTS	DRILL	COMPL	PROD	FAC	TOTAL
Land/ Legal/ Regulatory/ Insurance	\$ 30,554	\$ -	\$ -	\$ -	\$ 30,554
Location/ Surveys/ Damages	\$ 125,609	\$ 2,643	\$ -	\$ -	\$ 128,252
Daywork Contract	\$ 410,096	\$ 231,335	\$ 28,112	\$ -	\$ 669,543
Mob / Trucking / Cranes/ Fork Lift	\$ 33,948	\$ 276,369	\$ 8,368	\$ 45,378	\$ 364,062
Fuel & Power	\$ 77,402	\$ 2,839	\$ -	\$ -	\$ 80,241
Directional Drilling Services	\$ 201,653	\$ -	\$ -	\$ -	\$ 201,653
Bits	\$ 65,860	\$ -	\$ -	\$ -	\$ 65,860
Mud & Chemicals	\$ 135,793	\$ -	\$ -	\$ -	\$ 135,793
Water	\$ 27,159	\$ 275,683	\$ -	\$ -	\$ 302,842
Disposal/ Closed Loop/ HES	\$ 101,845	\$ 15,076	\$ 117,371	\$ -	\$ 234,292
Cement/ Csg equip & services	\$ 179,926	\$ -	\$ -	\$ -	\$ 179,926
Rental - Surface	\$ 84,871	\$ 235,251	\$ 120,828	\$ -	\$ 440,949
Rental - Subsurface	\$ 50,923	\$ 44,838	\$ 15,474	\$ -	\$ 111,234
Company Supervision	\$ 9,370	\$ 21,146	\$ -	\$ -	\$ 30,516
Contract Supervision	\$ 67,618	\$ 76,459	\$ 9,784	\$ -	\$ 153,861
Geologic Evaluation	\$ 19,011	\$ 33,775	\$ -	\$ -	\$ 52,786
Perf & Wireline Services	\$ -	\$ 131,870	\$ 8,368	\$ -	\$ 140,238
Contract Labor	\$ 19,690	\$ 13,412	\$ 36,121	\$ 143,413	\$ 212,636
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 25,062	\$ 202,621	\$ -	\$ 227,683
Services Wellhead	\$ 8,148	\$ 39,062	\$ 6,437	\$ -	\$ 53,646
Stimulation	\$ -	\$ 1,107,628	\$ -	\$ -	\$ 1,107,628
Material Consumables	\$ -	\$ 374,170	\$ -	\$ -	\$ 374,170
Contingency	\$ -	\$ 145,282	\$ 27,674	\$ 9,439	\$ 182,395
Total Intangibles	\$ 1,649,476	\$ 3,051,900	\$ 581,156	\$ 198,230	\$ 5,480,762
TANGIBLE COSTS	DRILL	COMPL	PROD	FAC	TOTAL
Casing	\$ 422,996	\$ -	\$ -	\$ -	\$ 422,996
Material Tubing and Accs	\$ -	\$ -	\$ 45,057	\$ -	\$ 45,057
Wellhead & Production Tree	\$ 47,528	\$ 79,200	\$ 8,256	\$ -	\$ 134,984
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 74,666	\$ -	\$ 74,666
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 10,394	\$ -	\$ 10,394
Compressor	\$ -	\$ -	\$ 39,371	\$ -	\$ 39,371
Tanks	\$ -	\$ -	\$ -	\$ 274,660	\$ 274,660
Production Vessels	\$ -	\$ -	\$ -	\$ 91,553	\$ 91,553
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 197,315	\$ 197,315
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 16,114	\$ 16,114
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 27,465	\$ 27,465
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 21,148	\$ 21,148
Communications	\$ -	\$ -	\$ -	\$ 50,354	\$ 50,354
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 32,510	\$ 32,510
Total Tangibles	\$ 470,524	\$ 79,200	\$ 177,744	\$ 711,120	\$ 1,438,588
Total DC&E	\$ 2,120,000	\$ 3,131,100	\$ 758,900	\$ 909,350	\$ 6,919,350
<u>Non Operating Partner Approval</u>					
Company:		By:		Date:	
		Its:			

Titus Oil & Gas Production, LLC

420 Throckmorton St., Suite 1150
Fort Worth, Texas 76102

October 22, 2020

Sent via USPS

COG Operating, LLC
600 W. Illinois Ave.
Midland, TX 79701

RE: Chicken Noodle Fed Com 401H Well Proposal
T26S-R25E
Eddy County, New Mexico

Dear Working Interest Owner,

Reference is made to the well proposals dated September 4, 2020. After careful consideration, Titus Oil & Gas Production, LLC ("Titus") has decided to change the orientation of the wells and revoke the aforementioned well proposals. Titus, as Operator, hereby proposes the drilling of the Chicken Noodle Fed Com 401H ("Subject Well") to an approximate True Vertical Depth of 8,320' and an approximate Total Measured Depth of 16,130' in order to test the Wolfcamp formation. The proration unit will cover the W2 of Section 2 and the NW4 of Section 11, T26S-R25E, Eddy County, New Mexico.

The estimated cost of drilling, completing, and equipping the Subject Well is \$7,258,350, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated October 22, 2020. The Subject Well's surface location will be located approximately 2433' FSL and 604' FWL of Section 11, T26S-R25E. The Subject Well's bottom-hole location will be approximately 10' FNL and 380' FWL, Section 2, T26S-R25E. The Subject Well's first take point will be approximately 2541' FNL and 680' FWL of Section 11, T26S-R25E, and the last take point will be approximately 100' FNL and 380' FWL, Section 2, T26S-R25E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- 80% NRI delivered, proportionately reduced
- \$250 per net acre bonus consideration
- Subject to a mutually agreeable form of Term Assignment
- This offer shall expire thirty (30) days from the date of this letter

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within thirty (30) days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined herein.

Sincerely,



Reed Brunette
Landman
(817) 852-6717
rbrunette@titusoil.com

Please select one of the following and return:

_____ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the Chicken Noodle Fed Com 401H.

_____ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the Chicken Noodle Fed Com 401H.

_____ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

COG Operating, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

TITUS		Titus Oil & Gas Production, LLC		Prepared by: Smith / Hinkel	
Proposed Authorization for Expenditure.		Date Prepared: 10/22/2020			
Well Name	Chicken Noodle Fed Com 401H	MD / TVD	16,130'	8,320'	
Legal	Sections 2 & 11, 26S-25E	Cty / State	Eddy	NM	
Formation	Wolfcamp	Field	Purple Sage		
INTANGIBLE COSTS	DRILL	COMPL	PROD	FAC	TOTAL
Land/ Legal/ Regulatory/ Insurance	\$ 35,439	\$ -	\$ -	\$ -	\$ 35,439
Location/ Surveys/ Damages	\$ 145,694	\$ 2,643	\$ -	\$ -	\$ 148,338
Daywork Contract	\$ 475,673	\$ 231,335	\$ 28,112	\$ -	\$ 735,119
Mob / Trucking / Cranes/ Fork Lift	\$ 39,377	\$ 276,369	\$ 8,368	\$ 45,378	\$ 369,491
Fuel & Power	\$ 89,779	\$ 2,839	\$ -	\$ -	\$ 92,618
Directional Drilling Services	\$ 233,899	\$ -	\$ -	\$ -	\$ 233,899
Bits	\$ 76,391	\$ -	\$ -	\$ -	\$ 76,391
Mud & Chemicals	\$ 157,508	\$ -	\$ -	\$ -	\$ 157,508
Water	\$ 31,502	\$ 275,683	\$ -	\$ -	\$ 307,185
Disposal/ Closed Loop/ HES	\$ 118,131	\$ 15,076	\$ 117,371	\$ -	\$ 250,578
Cement/ Csg equip & services	\$ 208,698	\$ -	\$ -	\$ -	\$ 208,698
Rental - Surface	\$ 98,442	\$ 235,251	\$ 120,828	\$ -	\$ 454,521
Rental - Subsurface	\$ 59,065	\$ 44,838	\$ 15,474	\$ -	\$ 119,377
Company Supervision	\$ 10,868	\$ 21,146	\$ -	\$ -	\$ 32,014
Contract Supervision	\$ 78,431	\$ 76,459	\$ 9,784	\$ -	\$ 164,674
Geologic Evaluation	\$ 22,051	\$ 33,775	\$ -	\$ -	\$ 55,826
Perf & Wireline Services	\$ -	\$ 131,870	\$ 8,368	\$ -	\$ 140,238
Contract Labor	\$ 22,839	\$ 13,412	\$ 36,121	\$ 143,413	\$ 215,785
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 25,062	\$ 202,621	\$ -	\$ 227,683
Services Wellhead	\$ 9,450	\$ 39,062	\$ 6,437	\$ -	\$ 54,949
Stimulation	\$ -	\$ 1,107,628	\$ -	\$ -	\$ 1,107,628
Material Consumables	\$ -	\$ 374,170	\$ -	\$ -	\$ 374,170
Contingency	\$ -	\$ 145,282	\$ 27,674	\$ 9,439	\$ 182,395
Total Intangibles	\$ 1,913,236	\$ 3,051,900	\$ 581,156	\$ 198,230	\$ 5,744,523
TANGIBLE COSTS	DRILL	COMPL	PROD	FAC	TOTAL
Casing	\$ 490,636	\$ -	\$ -	\$ -	\$ 490,636
Material Tubing and Accs	\$ -	\$ -	\$ 45,057	\$ -	\$ 45,057
Wellhead & Production Tree	\$ 55,128	\$ 79,200	\$ 8,256	\$ -	\$ 142,584
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 74,666	\$ -	\$ 74,666
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 10,394	\$ -	\$ 10,394
Compressor	\$ -	\$ -	\$ 39,371	\$ -	\$ 39,371
Tanks	\$ -	\$ -	\$ -	\$ 274,660	\$ 274,660
Production Vessels	\$ -	\$ -	\$ -	\$ 91,553	\$ 91,553
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 197,315	\$ 197,315
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 16,114	\$ 16,114
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 27,465	\$ 27,465
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 21,148	\$ 21,148
Communications	\$ -	\$ -	\$ -	\$ 50,354	\$ 50,354
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 32,510	\$ 32,510
Total Tangibles	\$ 545,764	\$ 79,200	\$ 177,744	\$ 711,120	\$ 1,513,827
Total DC&E	\$ 2,459,000	\$ 3,131,100	\$ 758,900	\$ 909,350	\$ 7,258,350
Non Operating Partner Approval					
Company:	By:		Date:		
	Its:				

Titus Oil & Gas Production, LLC

420 Throckmorton St., Suite 1150

Fort Worth, Texas 76102

October 22, 2020

Sent via USPS

COG Operating, LLC

600 W. Illinois Ave.

Midland, TX 79701

RE: Chicken Noodle Fed Com 402H Well Proposal
T26S-R25E
Eddy County, New Mexico

Dear Working Interest Owner,

Reference is made to the well proposals dated September 4, 2020. After careful consideration, Titus Oil & Gas Production, LLC ("Titus") has decided to change the orientation of the wells and revoke the aforementioned well proposals. Titus, as Operator, hereby proposes the drilling of the Chicken Noodle Fed Com 402H ("Subject Well") to an approximate True Vertical Depth of 8,374' and an approximate Total Measured Depth of 16,184' in order to test the Wolfcamp formation. The proration unit will cover the W2 of Section 2 and the NW4 of Section 11, T26S-R25E, Eddy County, New Mexico.

The estimated cost of drilling, completing, and equipping the Subject Well is \$7,259,350, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated October 22, 2020. The Subject Well's surface location will be located approximately 2437' FWL and 1662' FWL, Section 11, T26S-R25E. The Subject Well's bottom-hole location will be approximately 10' FNL and 2325' FWL of Section 2, T26S-R25E. The Subject Well's first take point will be approximately 2550' FNL and 5336' FWL of Section 11, T26S-R25E, and the last take point will be approximately 100' FEL and 2350' FWL, Section 2, T26S-R25E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- 80% NRI delivered, proportionately reduced
- \$250 per net acre bonus consideration
- Subject to a mutually agreeable form of Term Assignment
- This offer shall expire thirty (30) days from the date of this letter

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within thirty (30) days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined herein.

Sincerely,



Reed Brunette

Landman

(817) 852-6717

rbrunette@titusoil.com

Please select one of the following and return:

_____ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the Chicken Noodle Fed Com 402H.

_____ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the Chicken Noodle Fed Com 402H.

_____ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

COG Operating, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

 Titus Oil & Gas Production, LLC Proposed Authorization for Expenditure.		Prepared by: Smith / Hinkel Date Prepared: 10/22/2020	
Well Name	Chicken Noodle Fed Com 402H	MD / TVD	16,184' 8,374'
Legal	Sections 2 & 11, 26S-25E	Cty / State	Eddy NM
Formation	Wolfcamp	Field	Purple Sage
INTANGIBLE COSTS	DRILL	COMPL	PROD
		FAC	TOTAL
Land/ Legal/ Regulatory/ Insurance	\$ 35,454	\$ -	\$ -
Location/ Surveys/ Damages	\$ 145,754	\$ 2,643	\$ -
Daywork Contract	\$ 475,866	\$ 231,335	\$ 28,112
Mob / Trucking / Cranes/ Fork Lift	\$ 39,393	\$ 276,369	\$ 8,368
Fuel & Power	\$ 89,816	\$ 2,839	\$ -
Directional Drilling Services	\$ 233,994	\$ -	\$ -
Bits	\$ 76,422	\$ -	\$ -
Mud & Chemicals	\$ 157,572	\$ -	\$ -
Water	\$ 31,514	\$ 275,683	\$ -
Disposal/ Closed Loop/ HES	\$ 118,179	\$ 15,076	\$ 117,371
Cement/ Csg equip & services	\$ 208,782	\$ -	\$ -
Rental - Surface	\$ 98,482	\$ 235,251	\$ 120,828
Rental - Subsurface	\$ 59,089	\$ 44,838	\$ 15,474
Company Supervision	\$ 10,872	\$ 21,146	\$ -
Contract Supervision	\$ 78,463	\$ 76,459	\$ 9,784
Geologic Evaluation	\$ 22,060	\$ 33,775	\$ -
Perf & Wireline Services	\$ -	\$ 131,870	\$ 8,368
Contract Labor	\$ 22,848	\$ 13,412	\$ 36,121
Plugging & Abandonment	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 25,062	\$ 202,621
Services Wellhead	\$ 9,454	\$ 39,062	\$ 6,437
Stimulation	\$ -	\$ 1,107,628	\$ -
Material Consumables	\$ -	\$ 374,170	\$ -
Contingency	\$ -	\$ 145,282	\$ 27,674
Total Intangibles	\$ 1,914,014	\$ 3,051,900	\$ 581,156
TANGIBLE COSTS	DRILL	COMPL	PROD
		FAC	TOTAL
Casing	\$ 490,836	\$ -	\$ -
Material Tubing and Accs	\$ -	\$ -	\$ 45,057
Wellhead & Production Tree	\$ 55,150	\$ 79,200	\$ 8,256
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 74,666
Packers, Liner Hangers	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 10,394
Compressor	\$ -	\$ -	\$ 39,371
Tanks	\$ -	\$ -	\$ -
Production Vessels	\$ -	\$ -	\$ 274,660
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ 91,553
Flow Lines	\$ -	\$ -	\$ -
Valves, Dumps, Controllers	\$ -	\$ -	\$ 197,315
Electrical / Grounding	\$ -	\$ -	\$ 16,114
Flares/Combustion/Emission	\$ -	\$ -	\$ 27,465
Communications	\$ -	\$ -	\$ 21,148
Meters/LACT/Instrumentation	\$ -	\$ -	\$ 50,354
Total Tangibles	\$ 545,986	\$ 79,200	\$ 177,744
Total DC&E	\$ 2,460,000	\$ 3,131,100	\$ 758,900
\$ 909,350			
\$ 7,259,350			
Non Operating Partner Approval			
Company:	By:	Date:	
	Its:		



**MONTGOMERY
& ANDREWS**
LAW FIRM

SHARON T. SHAHEEN
Direct: (505) 986-2678
Email: sshaheen@montand.com
www.montand.com

December 18, 2020

Via U.S. Certified Mail, return receipt requested

TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 21615 – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Eddy County, New Mexico

Case No. 21616 – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling and for Approval of No-Standard Locations, Eddy County, New Mexico

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Titus Oil & Gas Production, LLC ("Titus") has filed two applications with the New Mexico Oil Conservation Division for an order pooling all uncommitted interests in the proposed wells described below. You are receiving this notice because you may have an interest in one or more of these wells.

Case No. 21615. Application of Titus Oil and Gas Production, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Bone Spring formation (WC-015 G-02 S262503L [97945]) underlying a 480-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 of Section 2 and the NW/4 of Section 11, all within Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico. Applicant proposes to drill the following well: **Chicken Noodle Fed Com 301H** well, to be horizontally drilled from an approximate surface hole location 2433' FSL and 574' FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10' FNL and 1320' FWL of Section 2, T26S-R25E. The first and last take points for this well will meet statewide setback requirements for horizontal wells. The completed interval is proposed to lay south to north along the east/west boundary of the quarter-quarter sections. Titus proposes to include six quarter-quarter sections as

Exhibit A-7

Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21615 & 21616
February 16, 2021

All Interest Owners
December 18, 2020
Page 2

proximity tracts. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately seven miles south of White's City, New Mexico.

Case No. 21616. Application of Titus Oil and Gas Production, LLC for Compulsory Pooling and for Approval of Non-Standard Locations, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) [98220]) underlying a standard 480-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 of Section 2 and the NW/4 of Section 11, all within Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico. Applicant proposes to drill the following wells: **Chicken Noodle Fed Com 401H** well, to be horizontally drilled from an approximate surface hole location 2433' FSL and 604' FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10' FNL and 380' FWL of Section 2, T26S-R25E; and **Chicken Noodle Fed Com 402H** well, to be horizontally drilled from an approximate surface hole location 2437' FSL and 1662' FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10' FNL and 2325' FWL of Section 2, T26S-R25E. The surface and bottomhole locations are within the designated setbacks in the applicable special pool rules. The completed intervals are within the designated setbacks in the applicable special pool rules. Statewide pool rules apply to the first and last take points, which are not within the requisite setbacks. Applicant therefore requests approval of an unorthodox location for these wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately seven miles south of White's City, New Mexico.

The attached Applications will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on **January 7, 2021** beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony.

Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to present testimony or

All Interest Owners
December 18, 2020
Page 3

evidence at the hearing, you must enter your appearance by **December 30, 2020**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **December 31, 2020**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about this Application.

Very truly yours,

/s/ Sharon T. Shaheen

Sharon T. Shaheen

STS/lt
Enclosures
cc: Titus Oil & Gas Production, LLC, *via email*

EXHIBIT A

INTEREST OWNERS

Working Interest Owners:

The Allar Company
735 Elm Street
Graham, TX 76450

COG Operating, LLC
600 W. Illinois Ave.
Midland, TX 79710

Overriding Royalty Interest Owners

John Kyle Thoma, Trustee of the
Cornerstone Family Trust
P.O. Box 17656
Golden, CO 80402

Crownrock Minerals, LP
P.O. Box 51933
Midland, TX 79710

Additional Party(ies):

State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220-6292

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. 21615

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 pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Bone Spring formation (WC-015 G-02 S262503L [97945]) underlying a 480-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Section 2 and the NW/4 of Section 11, all within Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico. In support of its application, Titus states as follows:

1. Titus is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Titus proposes to drill the following 1.5-mile well in the proposed HSU: **Chicken Noodle Fed Com 301H** well, to be horizontally drilled from an approximate surface hole location 2433’ FSL and 574’ FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10’ FNL and 1320’ FWL of Section 2, T26S-R25E.
3. The first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

4. The completed interval is proposed to lay south to north along the east/west boundary of the quarter-quarter sections. Titus proposes to include six quarter-quarter sections as proximity tracts under 19.15.16.15(B)(1)(b) NMAC.

5. Titus has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

6. Approval of the HSU and the pooling of all mineral interest owners in the Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to permit Titus to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Titus should be designated the operator of the HSU.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2020, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a 480-acre, more or less, horizontal spacing and proration unit comprised of the W/2 of Section 2, Township 26 South, Range 25 East, and the NW/4 of Section 11, Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation underlying the HSU;

C. Allowing the drilling of the Chicken Noodle Fed Com 301H;

D. Designating Titus as operator of the HSU and the well to be drilled thereon;

E. Authorizing Titus to recover its costs of drilling, equipping and completing the well;

F. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% penalty for the risk assumed by Titus in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

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

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR COMPULSORY POOLING AND FOR APPROVAL OF
NON-STANDARD LOCATIONS,
EDDY COUNTY, NEW MEXICO**

Case No. 21616

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 pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) [98220]) underlying a standard 480-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Section 2 and the NW/4 of Section 11, all within Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico. In support of its application, Titus states as follows:

1. Titus is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Titus proposes to drill the following 1.5-mile wells in the proposed HSU:
 - **Chicken Noodle Fed Com 401H** well, to be horizontally drilled from an approximate surface hole location 2433’ FSL and 604’ FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10’ FNL and 380’ FWL of Section 2, T26S-R25E.
 - **Chicken Noodle Fed Com 402H** well, to be horizontally drilled from an approximate surface hole location 2437’ FSL and 1662’ FWL of Section 11, T26S-

R25E, to an approximate bottom hole location 10' FNL and 2325' FWL of Section 2, T26S-R25E.

3. The surface and bottomhole locations are within the designated setbacks in the applicable special pool rules. The completed intervals are within the designated setbacks in the applicable special pool rules. Statewide pool rules apply to the first and last take points, which are not within the requisite setbacks. Applicant therefore requests approval of an unorthodox location for these wells.

4. Titus has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

5. Approval of the HSU and the pooling of all mineral interest owners in the Wolfcamp formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit Titus to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Titus should be designated the operator of the HSU.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2020, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 480-acre, more or less, horizontal spacing and proration unit comprised of the W/2 of Section 2, Township 26 South, Range 25 East, and the NW/4 of Section 11, Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico;

B. Pooling all mineral interests in the Wolfcamp formation underlying the HSU;

C. Allowing the drilling of the following 1.5 mile wells in the HSU: (1) Chicken Noodle Fed Com 401H, and (2) Chicken Noodle Fed Com 402H;

D. Approving the non-standard location of the first and last take points for both wells;

E. Designating Titus as operator of the HSU and the wells to be drilled thereon;

F. Authorizing Titus to recover its costs of drilling, equipping, and completing the wells;

G. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

H. Imposing a 200% penalty for the risk assumed by Titus in drilling and completing the wells against any interest owner who does not voluntarily participate in the drilling of the wells.

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

Tab 5

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. 21615

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR COMPULSORY POOLING AND FOR APPROVAL OF
NON-STANDARD LOCATIONS,
EDDY COUNTY, NEW MEXICO**

Case No. 21616

AFFIDAVIT OF ALLEN FRIERSON

I, being duly sworn on oath, state the following:

1. I am over the age of 18 and have the capacity to execute this Affidavit, which is based on my personal knowledge.
2. I am a petroleum geologist employed as the Vice President of Geology for Titus Oil & Gas Production, LLC ("Titus") and familiar with the subject application and geology involved.
3. This affidavit is submitted in connection with the filings by Titus of the above-referenced compulsory pooling applications pursuant to 19.15.4.12.A(1) NMAC.
4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology matters. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record. My education and work experience are as follows: I graduated from Washington & Lee University with a bachelor of science degree in geology. I received a master of science degree in geology from the Colorado School of Mines and a master of business administration degree from the University of Oklahoma. I have been employed at Titus as a petroleum geologist since 2017 to the present. Prior to working at Titus, I

Exhibit B

was with Devon Energy from 2013 to 2017. I have been working on New Mexico oil and gas matters for approximately five years.

5. **Exhibits B-1**, provided for each above-referenced application, are geological summaries for the proposed horizontal spacing units ("HSU") and related wells.

6. **Exhibits B-2** are locator maps with the cross-sections indicated.

7. **Exhibits B-3** include the spacing unit schematics for each of the above-referenced applications, which illustrate the location of each HSU for each application outlined by a red-hashed polygon; the approximate location(s) of the proposed well(s); and the wells in the two-well cross-section referenced in the stratigraphic cross-section exhibits (Exhibits B-6).

8. **Exhibits B-4**, provided for each application, are structure maps. The red-hashed polygon in each structure map indicates the proposed HSU for each corresponding application. The contour intervals of the structure maps are 100' contour intervals and are green lines on the map with depth labels. Data control points are posted in pink. I do not observe any faulting, pinch-outs, or other geologic impediments or hazards to developing these targeted intervals with horizontal wells.

9. **Exhibits B-5**, provided for each application, are isopach maps, which are formatted similarly to the structure maps (Exhibits B-4). Contour intervals are 10' on these maps.

10. In Case No. 21615, which proposes the Bone Spring Chicken Noodle Fed Com 301H ("301H"), **Exhibit B-5** indicates that this well is placed in a zone that is consistently greater than 320' thick for the entirety of the lateral.

11. From a geologic standpoint, Titus determined that including six quarter-quarter section proximity tracts in the HSU for Case No. 21615 is in the best interest of development, including being in the best interest of conservation, the prevention of waste, and the protection of

correlative rights, because the longer lateral results in a more efficient manner of development by accessing more reserves with a single wellbore.

12. In Case No. 21616, which proposes the Wolfcamp Chicken Noodle Fed Com 401H ("401H"), **Exhibit B-5** for the 401H indicates that this well is placed in a zone that is consistently greater than 100' thick for the entirety of the lateral.

13. Also in Case No. 21616, which proposes the Wolfcamp Chicken Noodle Fed Com 402H ("402H"), **Exhibit B-5** for the 402H indicates that this well is placed in a zone that is consistently greater than 100'-thick for the entirety of the lateral.

14. **Exhibits B-5** further support that there are no interpreted faults, pinch-outs, or other geologic impediments or hazards to developing these targeted intervals with horizontal wells.

15. **Exhibits B-6**, provided for each application, are stratigraphic cross-sections portraying a triple combo log. In each **Exhibit B-6**, Track 1 is the gamma ray log, which is scaled from 0 to 150 api units. Track 2 consists of neutron (blue) and density (red) porosity logs scaled from 40% to -10%. The green shading on the density porosity log is greater than 6%. Track 3 is the deep resistivity log from 0.2 ohmm to 2000 ohmm. The red shading on the curve is greater than 20 ohmm. A combination of these logs was used to determine "pay" and select the landing zone for each well. The cross-sections identify the key tops used to evaluate reservoirs and landing targets for the proposed wells. Simplified wellbores are on the cross-sections showing the landing target intervals in the Northwest to Southeast stratigraphic cross-sections.

16. **Exhibits B-7**, included for each application, contain gunbarrel diagrams depicting each well. These show the approximate landing zones in reference to the type logs for the area, and the associated spacing of the wellbores within the quarter-section width HSUs.

17. The measured depths and true vertical depths for each well are approximately as follows:

	<u>MD</u>	<u>TVD</u>	<u>CASE NO.</u>
301H	16,036'	8,226'	21615
401H	16,130'	8,320'	21616
402H	16,184'	8,374'	21616

18. In Case No. 21615, which proposes the 301H, the true vertical depth of the target formation is approximately 7,896' (Top of the 3rd Bone Spring) to approximately 8,234' (Base of the 3rd Bone Spring) based on the Scarlet '34' Federal 1 (API: 3001537817) type log.

19. In Case No. 21616, the true vertical depth of the target formation for the 401H is approximately 8,234' (Top of the Wolfcamp XY) to approximately 8,347' (Base of the Wolfcamp XY) based on the Scarlet '34' Federal 1 (API: 3001537817) type log; and the true vertical depth of the target formation for the 402H is approximately 8,234' (Top of the Wolfcamp XY) to approximately 8,347' (Base of the Wolfcamp XY) based on the Scarlet '34' Federal 1 (API: 3001537817) type log.

20. Based on my geologic study of the area, I conclude the following:

- a. The horizontal spacing and proration units are justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the units will contribute more or less equally to production.
- d. The preferred well orientation in this area is south-north. This is because the inferred orientation of the maximum horizontal stress is roughly west-east.

21. The Exhibits to this Affidavit were prepared by me, or compiled from Titus's business records.

22. The granting of this Application is in the interests of conservation and the prevention of waste.

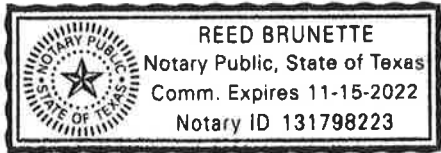
23. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

Allen Frierson
Allen Frierson

STATE OF TEXAS)
)ss
COUNTY OF TARRANT)

Subscribed to and sworn before me this 15th day of February, 2021.



Reed Brunette
Notary Public

My Commission expires 11/15/2022

Tab 6

Bone Spring Pooling CASE NO. 21615

Summary

Bone Spring Pooling – Lea County, New Mexico

Titus Oil & Gas Production, LLC (“Titus”) seeks an order from the Division pooling all uncommitted interests in the Bone Spring formation (WC-015 G-02 S262503L [97945]) underlying a 480-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Section 2 and the NW/4 of Section 11, all within Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico. Applicant proposes to drill the following well: **Chicken Noodle Fed Com 301H** well, to be horizontally drilled from an approximate surface hole location 2433’ FSL and 574’ FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10’ FNL and 1320’ FWL of Section 2, T26S-R25E. The first and last take points for this well will meet statewide setback requirements for horizontal wells. The well will target the 3rd Bone Spring at an approximate True Vertical Depth of 8,226’.

The well will be drilled from south-to-north because this aligns with offset operators’ developments in the adjoining tracts, and therefore, doesn’t strand any acreage or reserves.

No depth severances apply.

See attached exhibits for spacing unit schematic, gunbarrel/lateral trajectory schematic, and horizontal spacing unit cross-section.

Exhibit B-1

Titus Oil & Gas Production, LLC

NMOCD Case No. 21615

February 18, 2021

Locator Map

With Cross-Section

-  Pooling outline
-  Cross-Section line

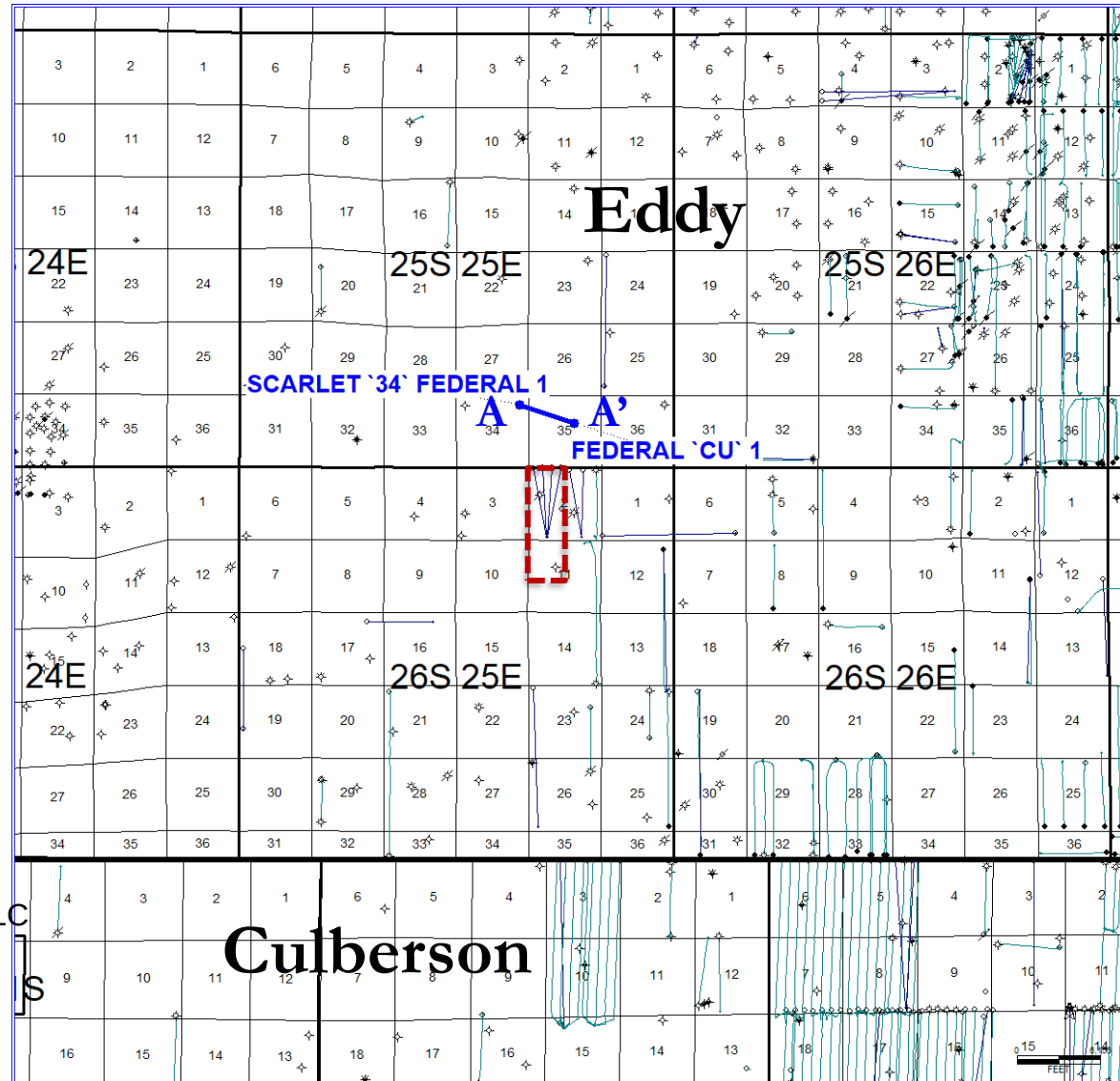


Exhibit B-2

Titus Oil & Gas Production LLC

NMOCD Case No. 21615

February 18, 2021

Spacing Unit Schematic

With Approximate Well Location

-  Pooling outline
-  Cross-Section line
-  Chicken Noodle
Fed Com 301H
Wellbore

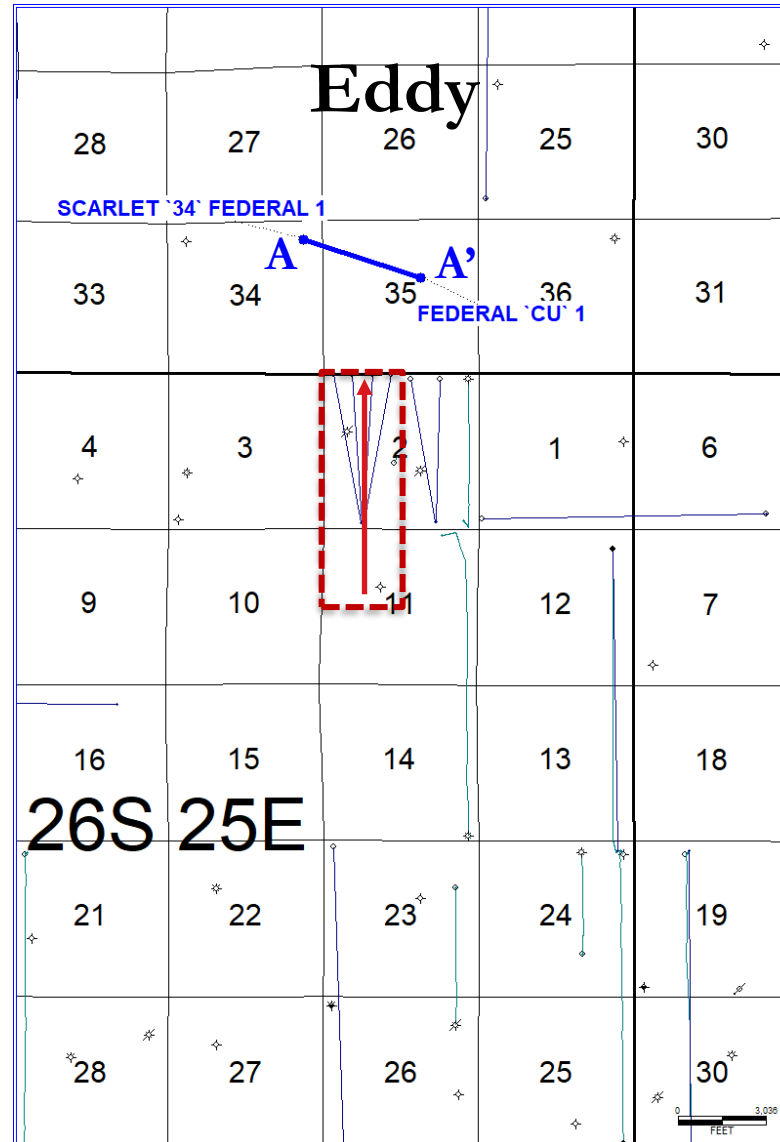


Exhibit B-3

Titus Oil & Gas Production, LLC

NMOCD Case No. 21615

February 18, 2021

3rd Bone Spring Sand Structure Map

Contour Interval: 100 ft.

Subsea Depth

-  Pooling outline
-  Cross-Section line
-  Chicken Noodle Fed Com 301H Wellbore
-  3rd Bone Spring Sand structure contours
-  -4,250 Control points

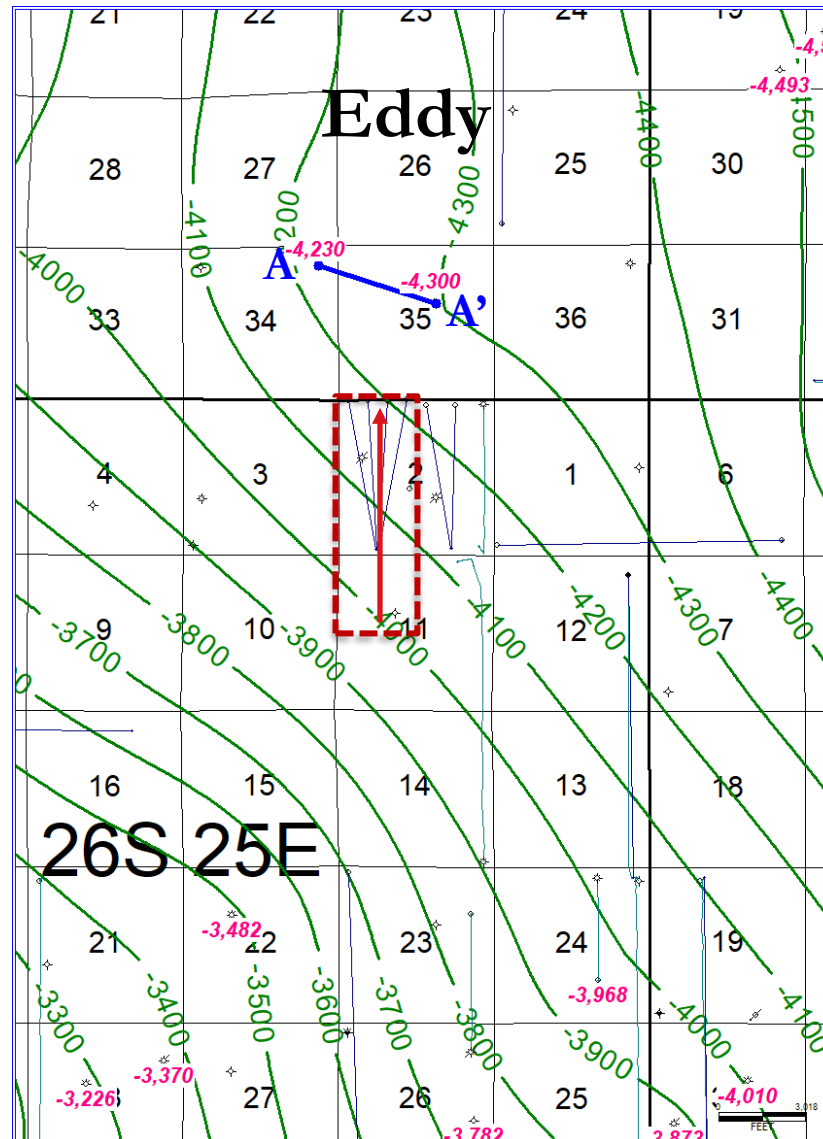


Exhibit B-4

Titus Oil & Gas Production, LLC

NMOCD Case No. 21615

February 18, 2021

3rd Bone Spring Sand Isopach Map

Contour Interval: 10 ft.

-  Pooling outline
-  Cross-Section line
-  Chicken Noodle
Fed Com 301H
Wellbore
-  3rd Bone Spring Sand
isopach contours
-  300 Control points

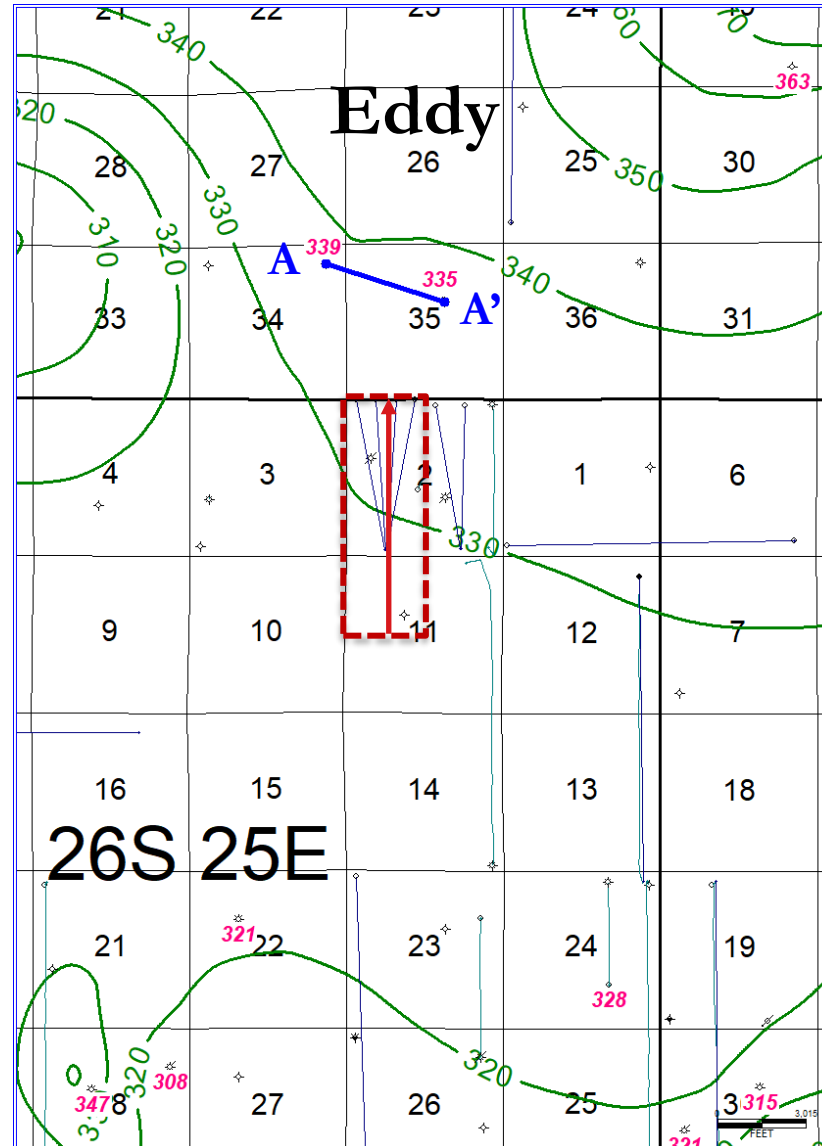


Exhibit B-5

Titus Oil & Gas Production, LLC

NMOCD Case No. 21615

February 18, 2021

HSU Cross-Section

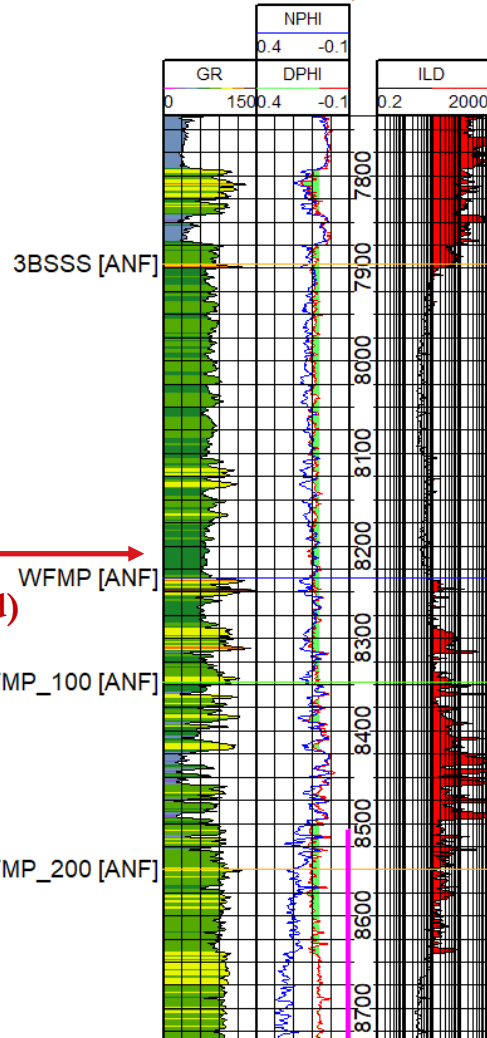
Petrophysical Logs Support 3rd Bone Spring Sand Target / Landing Zone

A

T25S R25E S34
30015378170000
SCARLET '34' FEDERAL 1



3,666



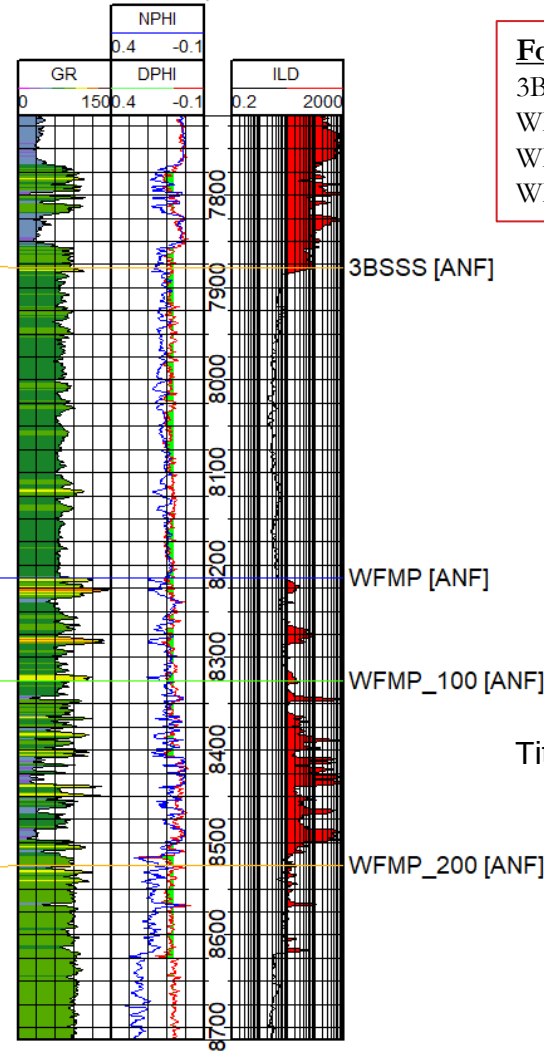
Chicken Noodle
Fed Com 301H
Target
(3rd Bone Spring Sand)

A'

T25S R25E S35
30015240310000
FEDERAL 'CU' 1



3,579



Formation Top Key:

3BSSS – 3rd Bone Spring Sandstone
WFMP – Wolfcamp
WFMP_100 – Wolfcamp A
WFMP_200 – Wolfcamp B

Exhibit B-6

Titus Oil & Gas Production, LLC

NMOCD Case No. 21615

February 18, 2021

Titus' Chicken Noodle Horizontal Spacing Unit Gunbarrel

Chicken Noodle Fed Com 301H – 3rd Bone Spring Sand target

Chicken Noodle HSU

LOWER BRUSHY

LEONARD A

LEONARD B

LEONARD C

1ST BONE SPRING SAND

2ND BONE SPRING LIME

2ND BONE SPRING SAND

3RD BONE SPRING LIME

3RD BONE SPRING SHALE

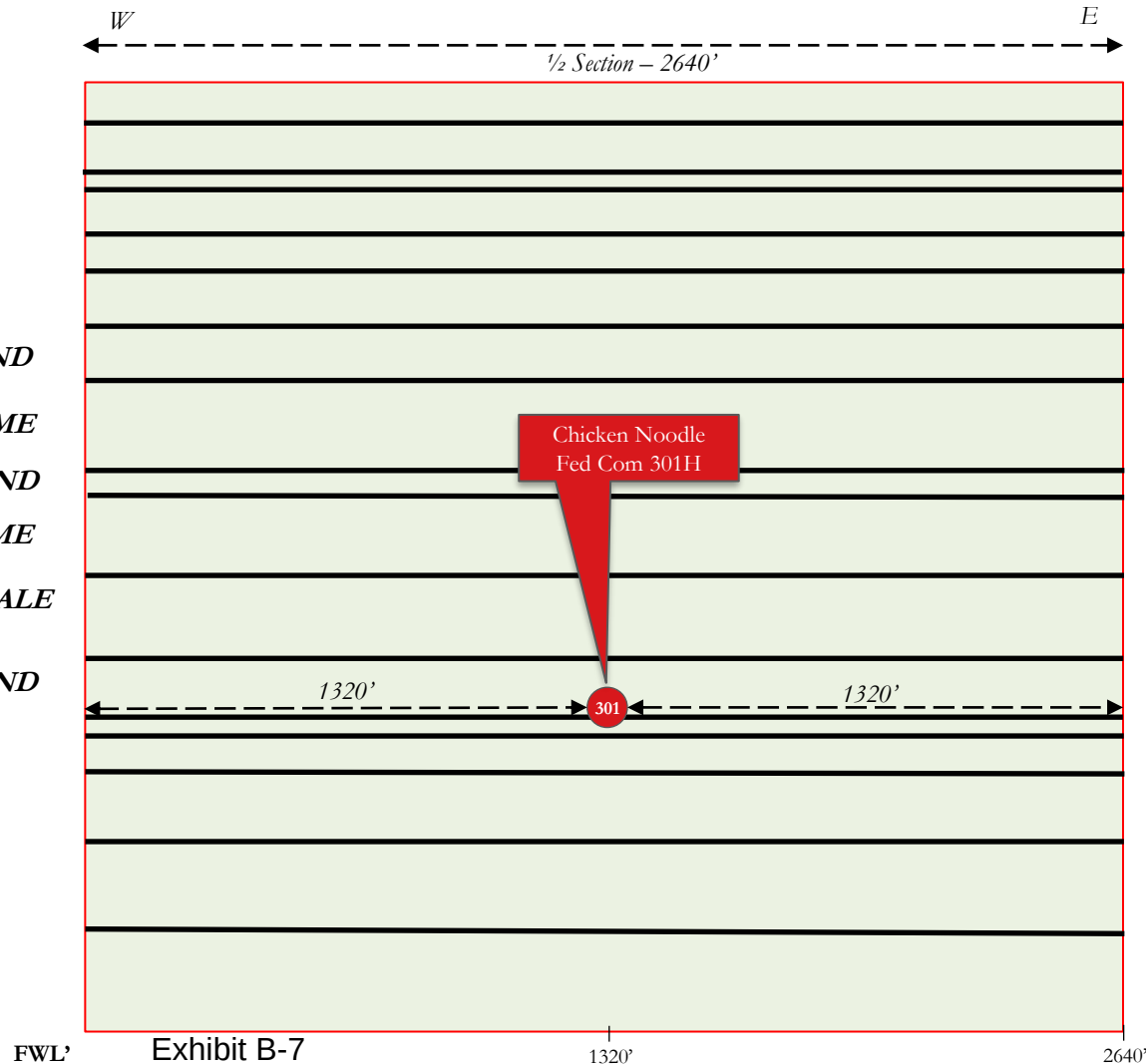
3RD BONE SPRING SAND

*WOLFCAMP XY
WOLFCAMP A*

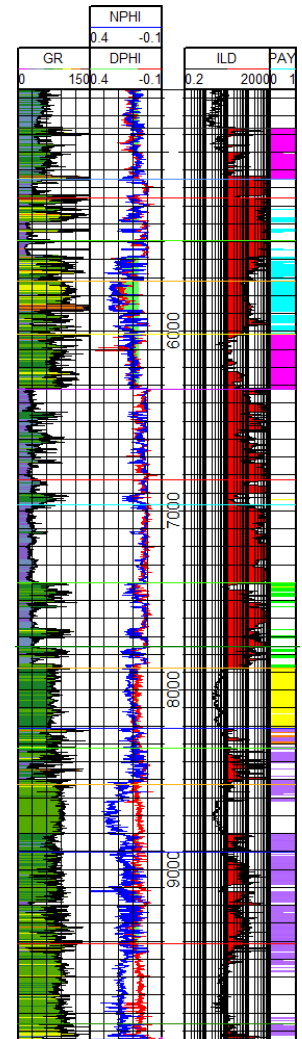
WOLFCAMP B

WOLFCAMP C

WOLFCAMP D



Beckham 19 1 Sec. 19 – 26S – 35E



*Depth ticks = 100'

FWL' Exhibit B-7 1320' 2640'

Titus Oil & Gas Production, LLC

NMOCD Case No. 21615

February 18, 2021

Tab 7

Wolfcamp Pooling CASE NO. 21616

Summary

Wolfcamp Pooling – Lea County, New Mexico

Titus Oil & Gas Production, LLC (“Titus”) seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) [98220]) underlying a standard 480-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Section 2 and the NW/4 of Section 11, all within Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico. Applicant proposes to drill the following wells: **Chicken Noodle Fed Com 401H** well, to be horizontally drilled from an approximate surface hole location 2433’ FSL and 604’ FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10’ FNL and 380’ FWL of Section 2, T26S-R25E; and **Chicken Noodle Fed Com 402H** well, to be horizontally drilled from an approximate surface hole location 2437’ FSL and 1662’ FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10’ FNL and 2325’ FWL of Section 2, T26S-R25E. The surface and bottomhole locations are within the designated setbacks in the applicable special pool rules. The completed intervals are within the designated setbacks in the applicable special pool rules. Statewide pool rules apply to the first and last take points, which are not within the requisite setbacks. Applicant therefore requests approval of an unorthodox location for these wells. The **Chicken Noodle Fed Com 401H** and **Chicken Noodle Fed Com 402H** will target the Wolfcamp XY Sands at approximate True Vertical Depths of 8,320’ and 8,374’, respectively.

The well will be drilled from south-to-north because this aligns with offset operators’ developments in the adjoining tracts, and therefore, doesn’t strand any acreage or reserves.

No depth severances apply.

See attached exhibits for spacing unit schematic, gunbarrel/lateral trajectory schematic, and horizontal spacing unit cross-section.

Exhibit B-1
Titus Oil & Gas Production, LLC
NMOCD Case No. 21616
February 18, 2021

Locator Map

With Cross-Section

-  Pooling outline
-  Cross-Section line

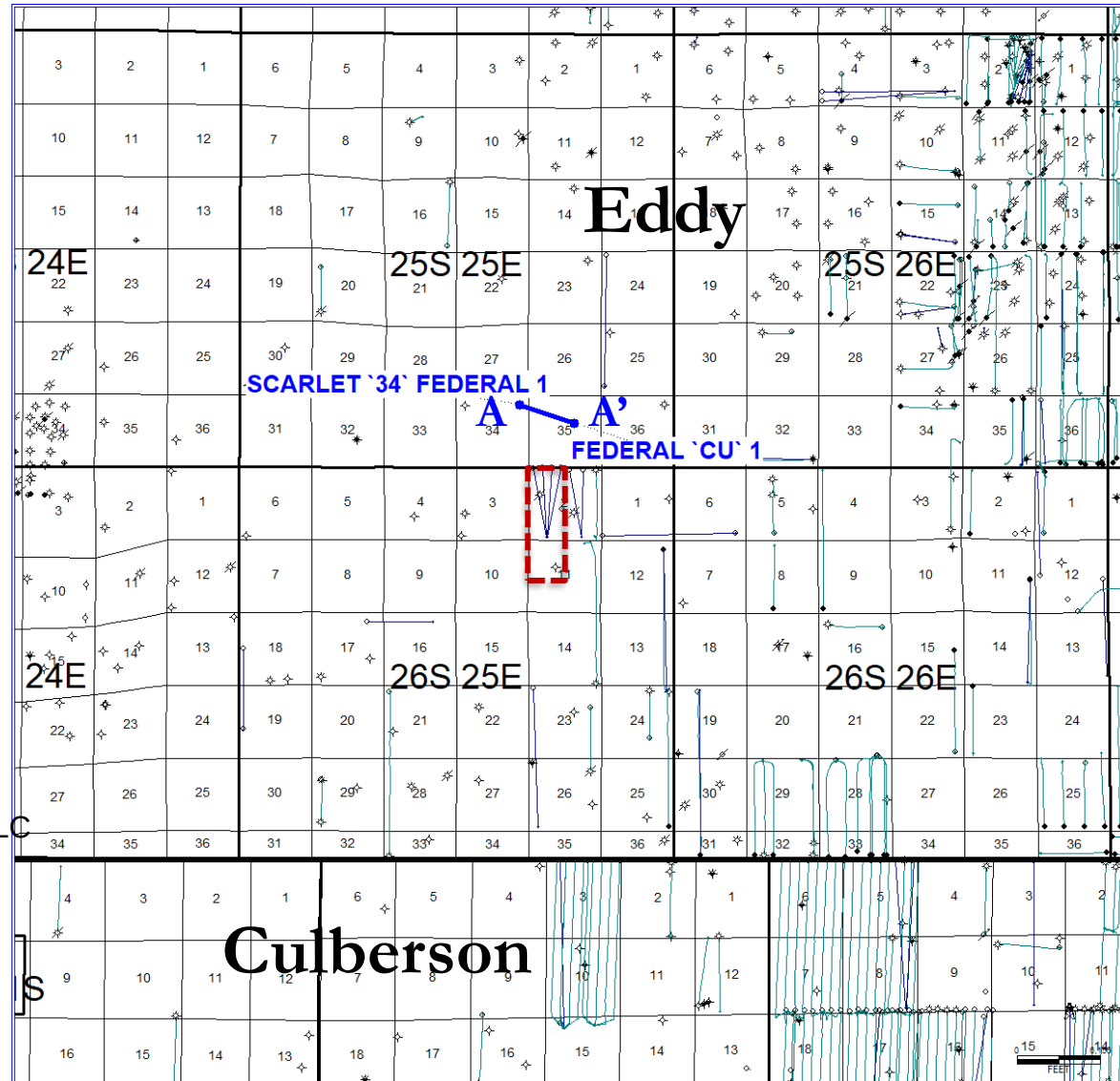


Exhibit B-2

Titus Oil & Gas Production, LLC

NMOCD Case No. 21616

February 18, 2021

Spacing Unit Schematic

With Approximate Well Location

-  Pooling outline
-  Cross-Section line
-  Chicken Noodle Fed Com 401H & 402H Wellbores

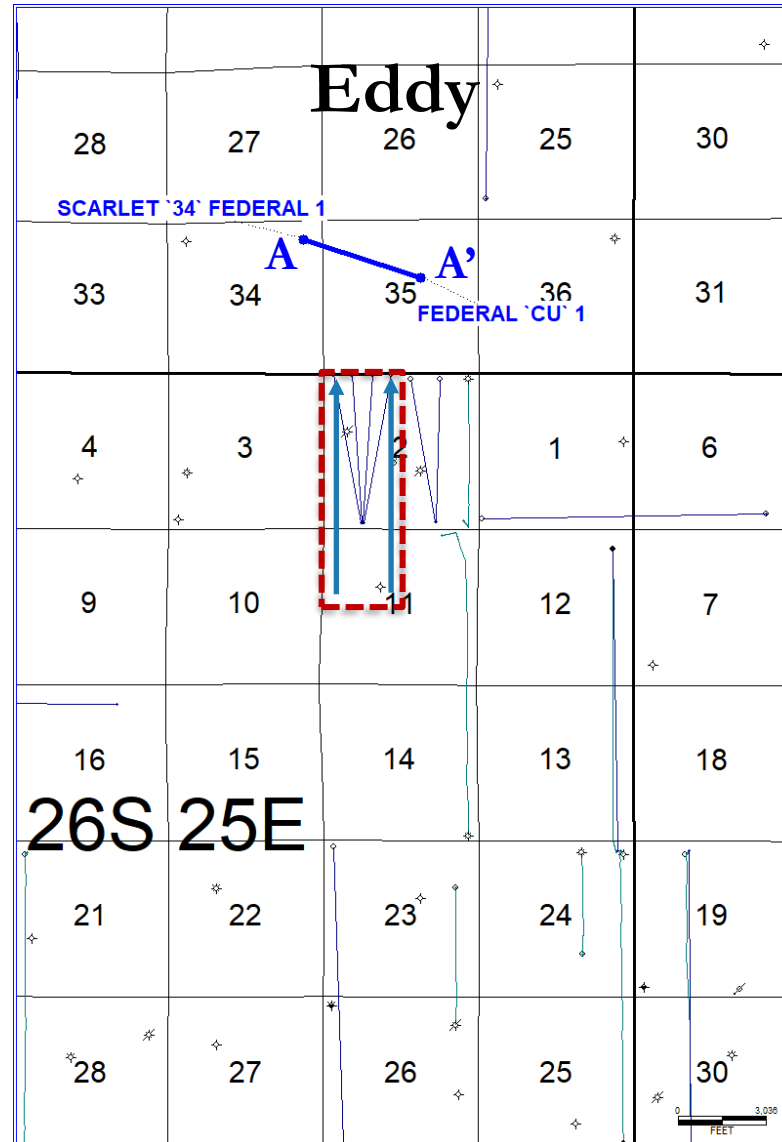


Exhibit B-3
 Titus Oil & Gas Production, LLC
 NMOCD Case No. 21616
 February 18, 2021

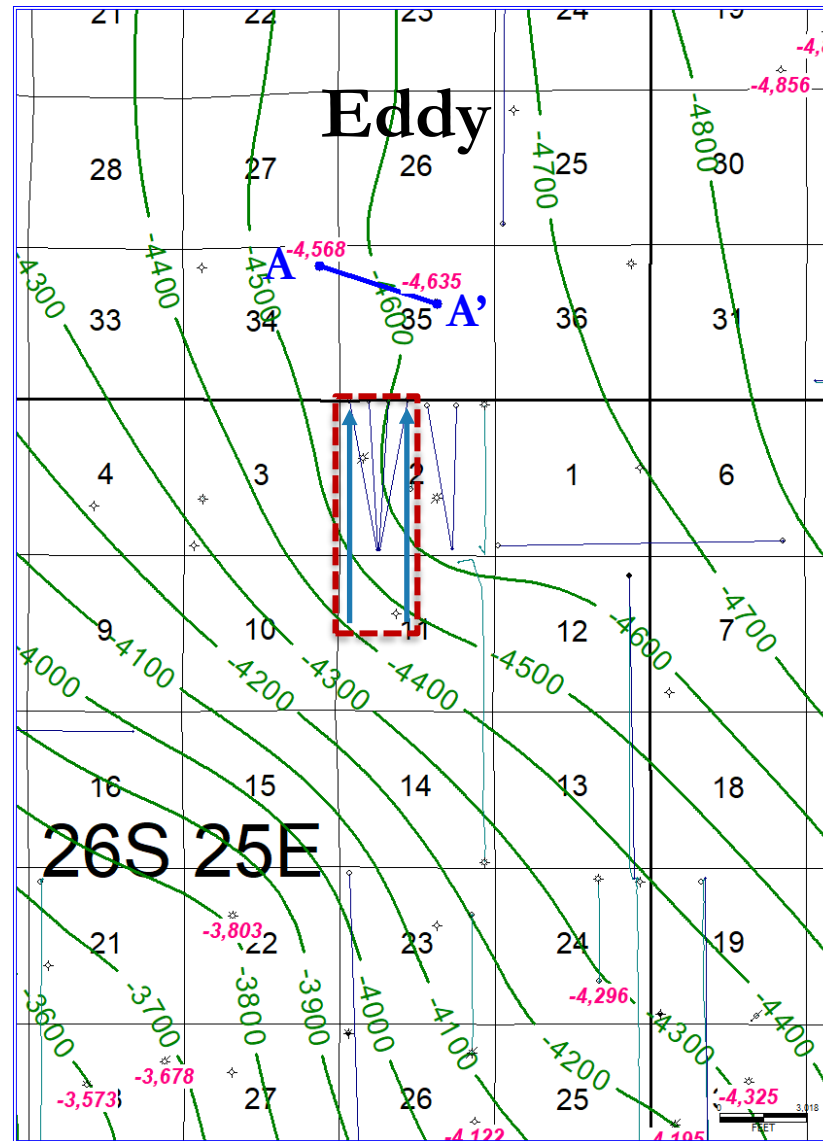
Wolfcamp Structure Map

Contour Interval: 100 ft.

Subsea Depth

-  Pooling outline
-  Cross-Section line
-  Chicken Noodle
Fed Com 401H &
402H Wellbores
-  Wolfcamp structure
contours
-  -4,250 Control points

Exhibit B-4
Titus Oil & Gas Production, LLC
NMOCD Case No. 21616
February 18, 2021



Wolfcamp XY Isopach Map

Contour Interval: 10 ft.

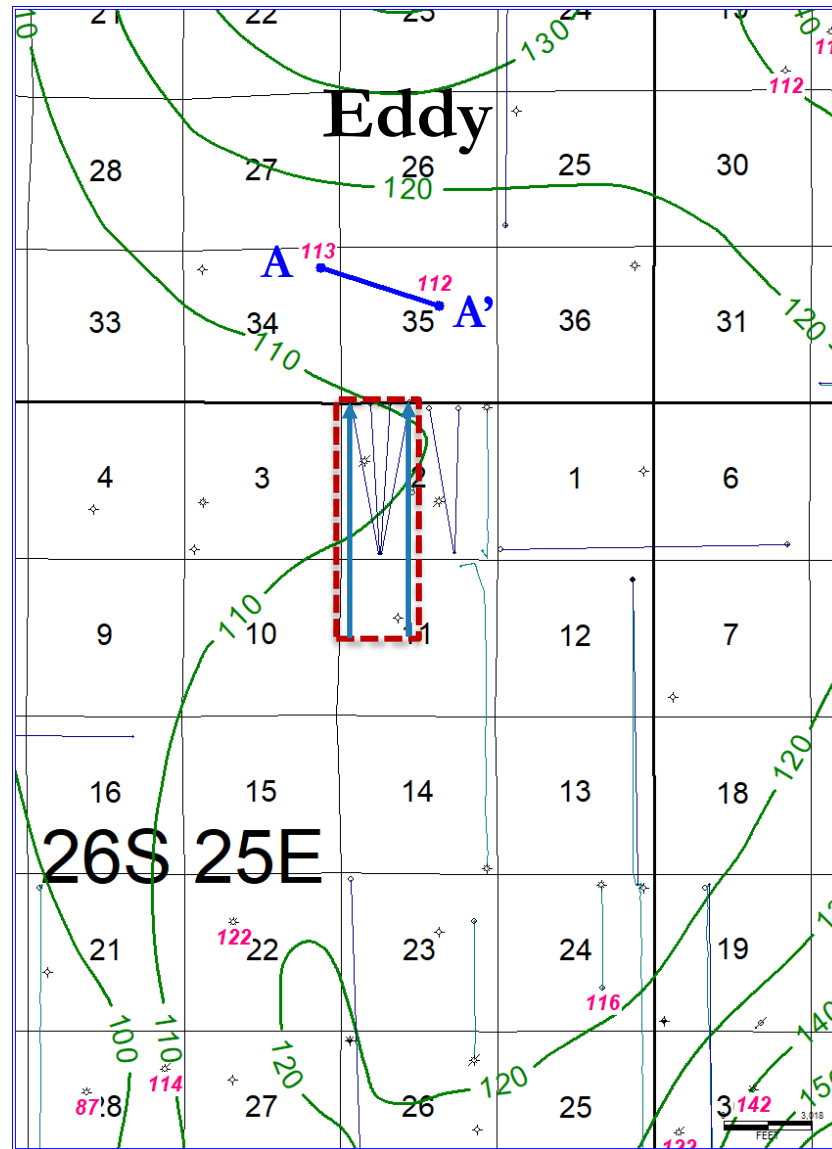
-  Pooling outline
-  Cross-Section line
-  Chicken Noodle
Fed Com 401H &
402H Wellbores
-  Wolfcamp isopach
contours
-  Control points

Exhibit B-5

Titus Oil & Gas Production, LLC

NMOCD Case No. 21616

February 18, 2021



HSU Cross-Section

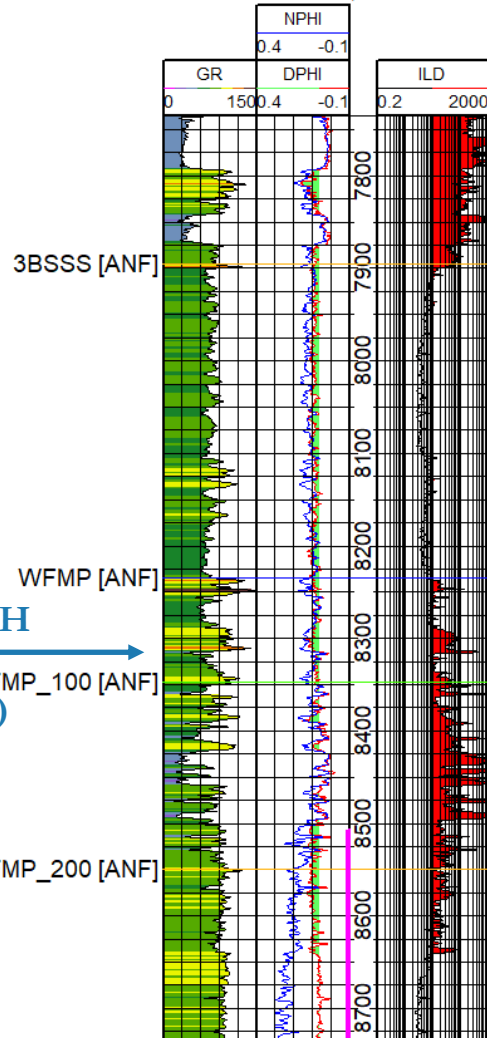
Petrophysical Logs Support Wolfcamp XY Sands Target / Landing Zone

A

T25S R25E S34
30015378170000
SCARLET '34' FEDERAL 1



3,666



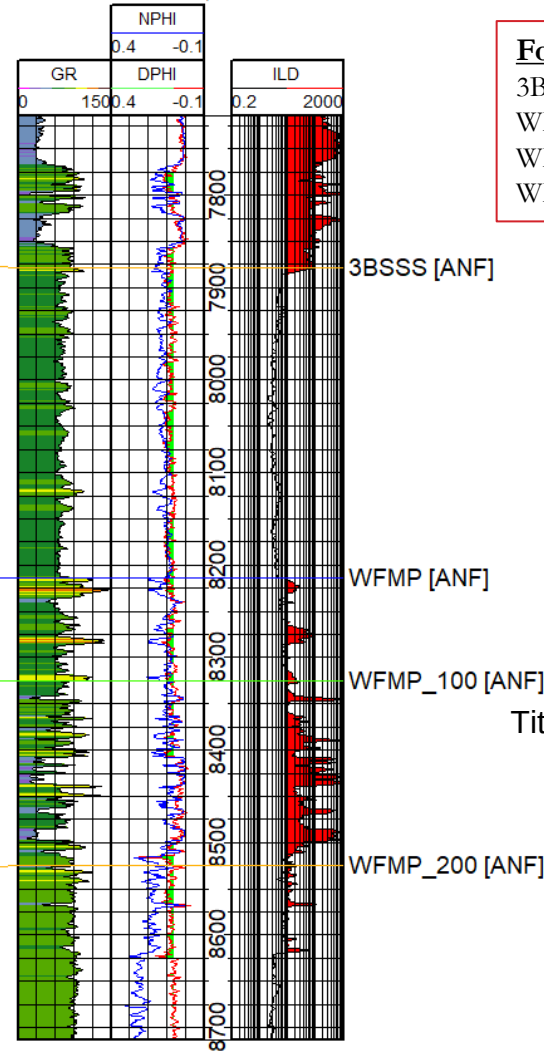
Chicken Noodle
Fed Com 401H & 402H
Target
(Wolfcamp XY Sands)

A'

T25S R25E S35
30015240310000
FEDERAL 'CU' 1



3,579



Formation Top Key:

3BSSS – 3rd Bone Spring Sandstone
WFMP – Wolfcamp
WFMP_100 – Wolfcamp A
WFMP_200 – Wolfcamp B

Exhibit B-6
Titus Oil & Gas Production, LLC
NMOCD Case No. 21616
February 18, 2021

Titus' Chicken Noodle Horizontal Spacing Unit Gunbarrel

Exhibit B-7

Chicken Noodle Fed Com 401H & 402H – Wolfcamp XY Sands target

Titus Oil & Gas Production LLC

NMOCD Case No. 21616

February 18, 2021

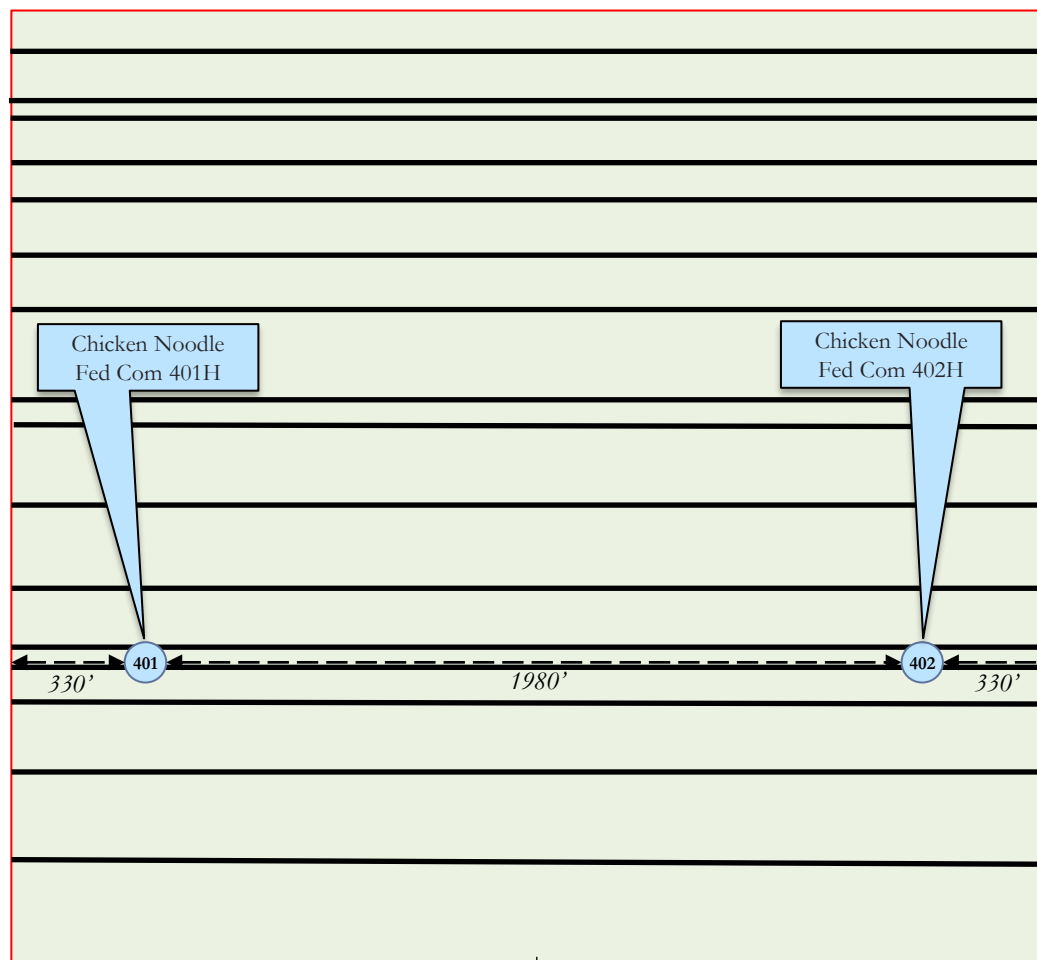
Beckham 19 1

Sec. 19 – 26S – 35E

Chicken Noodle HSU

W E

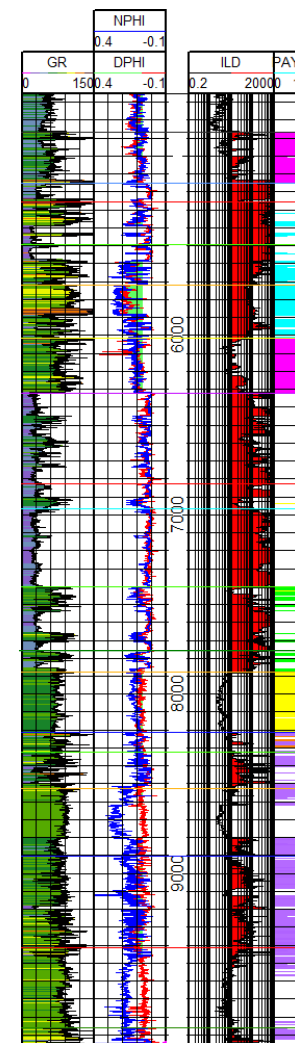
1/2 Section – 2640'

LOWER BRUSHY**LEONARD A****LEONARD B****LEONARD C****1ST BONE SPRING SAND****2ND BONE SPRING LIME****2ND BONE SPRING SAND****3RD BONE SPRING LIME****3RD BONE SPRING SHALE****3RD BONE SPRING SAND****WOLFCAMP XY****WOLFCAMP A****WOLFCAMP B****WOLFCAMP C****WOLFCAMP D**

FWL'

1320'

2640'



*Depth ticks = 100'

Tab 8

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. 21615

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR COMPULSORY POOLING AND FOR APPROVAL OF
NON-STANDARD LOCATIONS,
EDDY COUNTY, NEW MEXICO**

Case No. 21616

AFFIDAVIT OF NOTICE

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Sharon T. Shaheen, attorney for TITUS OIL & GAS PRODUCTION, LLC, ("Titus"), the Applicant in the above-captioned matter, being first duly sworn, upon oath and state the following:

2. I caused notice of the application to be sent by certified mail through the United States Postal Service ("USPS") on December 18, 2020, to all uncommitted interest owners sought to be pooled in this proceeding. Evidence of mailing to all parties and proof of receipt by all of the parties is attached hereto as Exhibit A. In an abundance of caution, notice was directed to all owners to whom notice was mailed by publication in the Carlsbad Current Argus on December 23, 2020, which is reflected in the Affidavit of Publication attached hereto as Exhibit B. Exhibits A and B demonstrate to my satisfaction that all interested owners were properly served.

3. Titus has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the Application filed herein.

Exhibit C

Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21615 & 21616
February 18, 2021

Sharon T Shaheen

SHARON T. SHAHEEN

SUBSCRIBED AND SWORN to before me this 15th day of February, 2021.



OFFICIAL SEAL
Theresa Garduno
NOTARY PUBLIC - STATE OF NEW MEXICO

My Commission Expires: 01/23/22

Sherr P. Sal

Notary Public

My Commission Expires:

01/23/22



9590 9402 1258 5246 3568 36

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•

MONTGOMERY
& ANDREWS
LAW FIRM100 Sun Avenue, NE, Suite 410
Albuquerque, New Mexico 87109Titus/Chicken Noodle
15412-2007/STS
Notice Letter (Applications)First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.
CERTIFIED MAIL®7015 1730 0000 9774 6609
7015 1730 0000 9774 6609U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail OnlyFor delivery information, visit our website at www.usps.com®.

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\$

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- ☐ Return Receipt (hardcopy) \$
- ☐ Return Receipt (electronic) \$
- ☐ Certified Mail Restricted Delivery \$
- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

Postage

\$

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Sei

Sin

Cit

The Allar Company
735 Elm Street
Graham, TX 76450SANTA FE NM
DEC 18 2019
USPO 87504

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed to:

The Allar Company
735 Elm Street
Graham, TX 76450

9590 9402 1258 5246 3568 36

2. Article Number (Transfer from service label)

7015 1730 0000 9774 6609

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

- D. Is delivery address different from item 1? ☐ Yes
- If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Restricted Delivery
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☒ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

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Tracking Number: 70151730000097746609

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Your item was delivered to an individual at the address at 2:16 pm on December 28, 2020 in GRAHAM, TX 76450.

✓ Delivered

December 28, 2020 at 2:16 pm
Delivered, Left with Individual
GRAHAM, TX 76450

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MONTGOMERY
& ANDREWS
LAW FIRM100 Sun Avenue, NE, Suite 410
Albuquerque, New Mexico 87109Titus/Chicken Noodle
15412-2007/STS
Notice Letter (Applications)First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-107015 1730 0000 9774 6623
7015 1730 0000 9774 6623U.S. Postal Service™
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Domestic Mail OnlyFor delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

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Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$☐ Return Receipt (electronic) \$☐ Certified Mail Restricted Delivery \$☐ Adult Signature Required \$☐ Adult Signature Restricted Delivery \$

Postage

Total

John Kyle Thoma, Trustee of the
Cornerstone Family Trust
P.O. Box 17656
Golden, CO 80402

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SANTA FE NM
DEC 18 2020
USPO 87504

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

John Kyle Thoma, Trustee of the
Cornerstone Family Trust
P.O. Box 17656
Golden, CO 80402

9590 9402 1258 5246 3568 50

2. Article Number (Transfer from service label)

7015 1730 0000 9774 6623

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☒ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

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Tracking Number: 70151730000097746623

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Your item was delivered at 4:37 pm on December 29, 2020 in GOLDEN, CO 80401.

 **Delivered**

December 29, 2020 at 4:37 pm
Delivered
GOLDEN, CO 80401

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• Sender: Please print your name, address, and ZIP+4® in this box.

MONTGOMERY
& ANDREWS
LAW FIRM100 Sun Avenue, NE, Suite 410
Albuquerque, New Mexico 87109Titus/Chicken Noodle
15412-2007/STS
Notice Letter (Applications)First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.
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7015 1730 0000 9774 6630U.S. Postal Service™
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Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage

\$

To

\$

Se

St

Cil

Crownrock Minerals, LP
P.O. Box 51933
Midland, TX 79710SANTA FE NM
DEC 18 2020
USPO 87504

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Crownrock Minerals, LP
P.O. Box 51933
Midland, TX 79710

9590 9402 1258 5246 3569 11

2. Article Number (Transfer from service label)

7015 1730 0000 9774 6630

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☒ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

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Your item was delivered at 12:17 pm on December 28, 2020 in MIDLAND, TX 79705.

 **Delivered**

December 28, 2020 at 12:17 pm
Delivered
MIDLAND, TX 79705

[Feedback](#)

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First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•



MONTGOMERY
& ANDREWS
LAW FIRM

100 Sun Avenue, NE, Suite 410
Albuquerque, New Mexico 87109

Titus/Chicken Noodle
15412-2007/STS
Notice Letter (Applications)



7015 1730 0000 9774 6647
7015 1730 0000 9774 6647

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

SANTA FE NM
DEC 16 2020
USPO 87504

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501



9590 9402 1258 5246 3569 28

2. Article Number (Transfer from service label)

7015 1730 0000 9774 6647

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery

☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☒ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

☐ Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

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Track Another Package +

Tracking Number: 70151730000097746647

[Remove X](#)

Your item was picked up at a postal facility at 7:36 am on December 28, 2020 in SANTA FE, NM 87501.

 **Delivered**

December 28, 2020 at 7:36 am
Delivered, Individual Picked Up at Postal Facility
SANTA FE, NM 87501

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United States
Postal ServiceMONTGOMERY
& ANDREWS
LAW FIRM100 Sun Avenue, NE, Suite 410
Albuquerque, New Mexico 87109Titus/Chicken Noodle
15412-2007/STS
Notice Letter (Applications)First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.
CERTIFIED MAIL®7015 1730 0000 9774 6654
7015 1730 0000 9774 6654U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail OnlyFor delivery information, visit our website at www.usps.com®.

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage

\$

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Ser

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City

Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220-6292

PS Form 3811, April 2015 PSN 7530-02-000-9053

SANTA FE NM
DEC 18 2020
USPC 87504

See reverse for instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220-6292

9590 9402 1258 5246 3569 35

2. Article Number (Transfer from service label)

7015 1730 0000 9774 6654

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail

☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☒ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

ALERT: USPS IS EXPERIENCING UNPRECEDENTED VOLUME INCREASES AND LIMITED EMPL...

USPS Tracking®

FAQs >

Track Another Package +

Tracking Number: 70151730000097746654

Remove X

Your item was delivered to the front desk, reception area, or mail room at 1:57 pm on December 22, 2020 in CARLSBAD, NM 88220.

✓ Delivered

December 22, 2020 at 1:57 pm
Delivered, Front Desk/Reception/Mail Room
CARLSBAD, NM 88220

Feedback

Get Updates ✓

Text & Email Updates



Tracking History



Product Information



See Less ^

Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

Carlsbad Current Argus.

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Affidavit of Publication

Ad # 0004520269

This is not an invoice

MONTGOMERY & ANDREWS P.A.
PO BOX 2307

SANTA FE, NM 87504

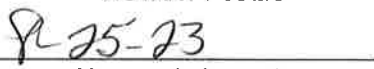
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

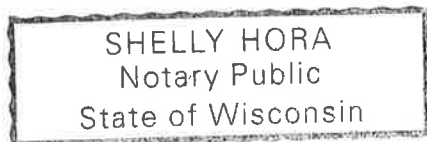
12/23/2020


Legal Clerk

Subscribed and sworn before me this December 23, 2020:


State of WI, County of Brown
NOTARY PUBLIC


My commission expires



Ad # 0004520269
PO #: The Allar Company
of Affidavits 1

This is not an invoice

EXHIBIT B - Affidavit of Notice

NOTICE

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns, and any other uncommitted interest owners:

The Allar Company; COG Operating, LLC; John Kyle Thoma, Trustee of the Cornerstone Family Trust; Crownrock Minerals, LP; Great Western Drilling, Ltd.; Strategic Energy Income Fund IV, LP; Highland (Texas) Energy Co.; State Land Office; Bureau of Land Management.

Titus Oil & Gas Production, LLC, has filed an application with the New Mexico Oil Conservation Division as follows:

Case No. 21615. Application of Titus Oil and Gas Production, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Bone Spring formation (WC-015 G-02 S262503L [97945]) underlying a 480-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 of Section 2 and the NW/4 of Section 11, all within Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico. Applicant proposes to drill the following well: Chicken Noodle Fed Com 301H well, to be horizontally drilled from an approximate surface hole location 2433' FSL and 574' FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10' FNL and 1320' FWL of Section 2, T26S-R25E. The first and last take points for this well will meet statewide setback requirements for horizontal wells. The completed interval is proposed to lay south to north along the east/west boundary of the quarter-quarter sections. Titus proposes to include six quarter-quarter sections as proximity tracts. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately seven miles south of White's City, New Mexico.

Case No. 21616. Application of Titus Oil and Gas Production, LLC for Compulsory Pooling and for Approval of Non-Standard Locations, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) [98220]) underlying a standard 480-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 of Section 2 and the NW/4 of Section 11, all within Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico. Applicant proposes to drill the following wells: Chicken Noodle Fed Com 401H well, to be horizontally drilled from an approximate surface hole location 2433' FSL and 604' FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10' FNL and 380' FWL of Section 2, T26S-R25E; and Chicken Noodle Fed Com 402H well, to be horizontally drilled from an approximate surface hole location 2437' FSL and 1662' FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10' FNL and 2325' FWL of Section 2, T26S-R25E. The surface and bottomhole locations are within the designated setbacks in the applicable special pool rules. The completed intervals are within the designated setbacks in the applicable special pool rules. Statewide pool rules apply to the first and last take points, which are not within the requisite setbacks. Applicant therefore requests approval of an unorthodox location for these wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately seven miles south of White's City, New Mexico.

This application will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division in Santa Fe, New Mexico on **January 7, 2021, at 8:15 a.m.** During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on **January 7, 2021** beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance by **December 30, 2020**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **December 21, 2020**, in accordance with Division Rule 19.15.4.13 NMAC. For further information, contact the applicant's attorney, Sharon T. Shaheen, Montgomery & Andrews, P.A., 325 Paseo de Peralta, Santa Fe, New Mexico 87504, (505) 836-2670.

RE, NEW MEXICO O/DUTY, (2020) 200-2070.

December 23, 2020