APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21371, LEA COUNTY, NEW MEXICO

Case No. 21867 Order No. R-21371 (Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21372, LEA COUNTY, NEW MEXICO

Case No. 21868 Order No. R-21372 (Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21376, LEA COUNTY, NEW MEXICO

Case No. 21869 Order No. R-21376 (Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21377, LEA COUNTY, NEW MEXICO

Case No. 21870 Order No. R-21377 (Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21378, LEA COUNTY, NEW MEXICO

Case No. 21871 Order No. R-21378 (Re-Open)



## Cattlemen Fed Com Wells

322H, 432H, 512H, 323H, 403H, 513H, 404H, 434H and 514H

May 6, 2021

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APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21371,

LEA COUNTY, NEW MEXICO

Case No. 21867 Order No. R-21371

(Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC

TO AMEND ORDER NO. R-21372,

LEA COUNTY, NEW MEXICO

Case No. 21868 Order No. R-21372

(Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC

TO AMEND ORDER NO. R-21376,

LEA COUNTY, NEW MEXICO

Case No. 21869 Order No. R-21376

(Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC

TO AMEND ORDER NO. R-21377,

LEA COUNTY, NEW MEXICO

Case No. 21870 Order No. R-21377

(Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC

TO AMEND ORDER NO. R-21378,

LEA COUNTY, NEW MEXICO

Case No. 21871 Order No. R-21378

(Re-Open)

### **AFFIDAVIT OF WALTER JONES**

- 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 landman employed as Vice President of Land with Titus Oil & Gas Production, LLC ("Titus"), and I am familiar with the subject applications and the lands involved.

**EXHIBIT A** 

Titus Oil & Gas Production, LLC NMOCD Case Nos. 21867-21871 May 6, 2021

Released to Imaging: 5/4/2021 2:48:11 PM

- 3. This affidavit is submitted in connection with the filing by Titus of the above-referenced 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 previously. My education and work experience are as follows: I graduated from the University of Mississippi in 2005 with a business degree in marketing. From 2007 through 2009, I worked as an independent landman for a broker in the Barnett Shale in the Fort Worth area. From 2009 to 2017, I worked for BOPCO, LP, overseeing assets predominately in Eddy and Lea Counties, New Mexico. I have been with Titus from 2017 to present. I have been working on New Mexico oil and gas matters for approximately 12 years.
- 5. The applications are attached as **Exhibits 1-A through 1-E**. The purpose of these applications is to amend Order Nos. R-21371, R-21372, R-21376, R-21377, and R-21378 previously issued in Case Nos. 21208, 21209, 21210, 21211, and 21212, respectively, to extend the time for drilling, by one year, the following wells:
  - a. Case No. 21867: The Cattlemen Fed Com 322H well (API #30-025-48124) ("Cattlemen 322H Well") approved in Order No. R-21371 (previous Case No. 21208);
  - Case No. 21868: The (1) Cattlemen Fed Com 432H well (API # 30-025-48128) ("Cattlemen 432H Well") and the (2) Cattlemen Fed Com 512H well (API # 30-025-48130) ("Cattlemen 512H Well") approved in Order No. R-21372 (previous Case No. 21209);
  - c. Case No. 21869: The Cattlemen Fed Com 323H well (API #30-025-48125) ("Cattlemen 323H Well") approved in Order No. R-21376 (previous Case No. 21210);
  - d. Case No. 21870: The (1) Cattlemen Fed Com 403H well (API # 30-025-48126) ("Cattlemen 403H Well") and the (2) Cattlemen Fed Com 513H well (API # 30-025-48131) ("Cattlemen 513H Well") approved in Order No. R-21377 (previous Case No. 21211); and

- e. Case No. 21871: The (1) Cattlemen Fed Com 404H well (API # 30-025-48127) ("Cattlemen 404H Well"), the (2) Cattlemen Fed Com 434H well (API # 30-025-48129) ("Cattlemen 434H Well"), and the (3) Cattlemen Fed Com 514H well (API # 30-025-48132) ("Cattlemen 514H Well") approved in Order No. R-21378 (previous Case No. 21212).
- 6. The pertinent orders are attached as **Exhibits 2-A through 2-E**.
  - a. **Order No. R-21371**, regarding the Cattlemen 322H Well, pooled uncommitted interest owners in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 SW/4 of Section 17 and the E/2 W/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico.
  - b. **Order No. R-21372**, regarding the Cattlemen 432H Well and the Cattlemen 512H Well, pooled uncommitted interest owners in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 SW/4 of Section 17 and the E/2 W/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico.
  - c. **Order No. R-21376**, regarding the Cattlemen 323H Well, pooled uncommitted interest owners in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico.
  - d. **Order No. R-21377**, regarding the Cattlemen 403H Well and the Cattlemen 513H Well, pooled uncommitted interest owners in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico.
  - e. **Order No. R-21378**, regarding the Cattlemen 404H Well, the Cattlemen 434H Well, and the Cattlemen 514H Well, pooled uncommitted interest owners in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 SE/4 of Section 17 and the E/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico.
- 7. The orders designated Titus as the operator of the above-referenced wells and

HSUs.

- 8. Titus is a working interest owner in the HSUs and has the right to drill thereon.
- 9. In Case Nos. 21867 and 21868, Titus requests the Division to re-open the matters previously heard in Case Nos. 21208 and 21209 to extend the time to commence drilling the above-referenced wells to be no later than July 6, 2022, which will be a one-year extension from the time to commence drilling granted in Order Nos. R-21371 and R-21372.
- 10. In Case Nos. 21869, 21870, and 21871, Titus requests the Division to re-open the matters previously heard in Case Nos. 21210, 21211, and 21212 to extend the time to commence drilling the above-referenced wells to be no later than July 22, 2022, which will be a one-year extension from the time to commence drilling granted in Order Nos. R-21376, R-21377, and R-21378.
- 11. The Division hearings in original Case Nos. 21208, 21209, 21210, 21211, and 21212 were held on June 25, 2020.
- 12. The Division entered Order No. R-21371 in Case No. 21208 and Order No. R-21372 in Case No. 21209 on July 6, 2020.
- 13. The Division entered Order No. R-21376 in Case No. 21210, Order No. R-21377 in Case No. 21211, and Order No. R-21378 in Case No. 21212 on July 22, 2020.
- 14. At paragraph 19, each order states, "The Operator shall commence drilling the Well(s) within one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well." At paragraph 20, each order states, "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by an amendment of this Order for good cause shown."
- 15. Under Order Nos. R-21371 and R-21372, Titus would be required to commence drilling the wells thereunder by July 6, 2021.

- 16. Under Order Nos. R-21376, R-21377, and R-21378, Titus would be required to commence drilling the wells thereunder by July 22, 2021.
  - 17. Good cause exists for the Division to grant the extensions.
- 18. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to COVID-19 and current market conditions. In addition, the executive order entered by the federal administration in January 2021 impacted the timing of federal permitting, right-of-way, and sundries among other federal approvals needed prior to drilling.
- 19. Titus's operations and drilling activity have been impacted by COVID-19, oil and gas market conditions, and delays in federal permitting.
  - 20. Titus is in good standing under the statewide rules and regulations.
- 21. Titus notified all parties pooled under the orders regarding the requests to re-open these matters for an extension of time to drill. A sample notice letter for Case Nos. 21867 and 21868 is attached hereto as **Exhibit 3**. A sample notice letter for Case Nos. 21869, 21870, and 21871 is attached hereto as **Exhibit 4**. Proof of notification, including proof of publication, can be found at **Tab 2** of the exhibit package.
- 22. In Case Nos. 21867 and 21868, no party has entered an appearance. In Case Nos. 21869, 21870, and 21871, Allar Company entered an appearance, which was subsequently withdrawn. Consequently, no opposition is expected.
- 23. Titus incorporates all exhibits provided and admitted into the record at the hearing for the original Case Nos. 21208, 21209, 21210, 21211, and 21212 by reference herein.
- 24. Titus is not requesting changes to any provisions in the orders, other than the changes requested herein, and asks that all other rights and privileges granted to Titus in the Orders remain the same.

- 25. The exhibits to this Affidavit were prepared by me, or compiled from Titus's business records.
- 26. The granting of these applications is in the interests of conservation, the prevention of waste, and the protection of correlative rights.
  - 27. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT	FURTHER	<b>AFFIANT</b>	<b>SAYETH</b>	<b>NAUGHT</b>
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Walter P. Jones

STATE OF TEXAS ) s COUNTY OF TARRANT )

Subscribed to and sworn before me this 4<sup>th</sup> day of May, 2021.



Notary Public

My Commission expires 11/15/2022

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21371, LEA COUNTY, NEW MEXICO

Case No. <u>21867</u> Order No. R-21371 (Re-Open)

#### **APPLICATION**

Titus Oil & Gas Production, LLC ("Titus"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division to amend Order No. R-21371 entered in Case No. 21208 to extend the time for drilling the **Cattlemen Fed Com 322H** well (API #30-025-48124) ("Cattlemen 322H Well") approved in Order No. R-21371. <sup>1</sup> In support of its application, Titus states as follows:

- 1. Order No. R-21371 pooled uncommitted interest owners in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 SW/4 of Section 17 and the E/2 W/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the Cattlemen 322H Well.
  - 2. Titus is a working interest owner in the HSU and has the right to drill thereon.
- 3. Order No. R-21371 designated Titus as the operator of the Cattlemen 322H Well and the HSU.

EXHIBIT 1-A
Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21867-21871
May 6, 2021

<sup>&</sup>lt;sup>1</sup> Order No. R-21371 entered in Case No. 21208 is one of five orders relating to Titus's "Cattlemen" well group. By separate applications, Titus is seeking to amend Order No. R-21372 entered in Case No. 21209, Order No. R-21376 entered in Case No. 21210, Order No. R-21377 entered in Case No. 21211, and Order No. R-21378 entered in Case No. 21212.

- 4. Titus requests the Division re-open the matter to extend the time to commence drilling the Cattlemen 322H Well to be no later than July 6, 2022, which will be a one-year extension from the time to commence drilling granted in Order No. R-21371.
- 5. The Division Hearing in the original proceeding, Case No. 21208, was held on June 25, 2020, in conjunction with four other Titus cases, Case Nos. 21209, 21210, 21211, and 21212.
  - 6. The Division entered Order No. R-21371 in Case No. 21208 on July 6, 2020.
- 7. Order No. R-21371, ¶ 19 states: "The Operator shall commence drilling the Well(s) within one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well." Order No. R-21371, ¶ 20 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown."
- 8. Under Order No. R-21371, Titus would be required to commence drilling the well by July 6, 2021.
  - 9. Good cause exists for the Division to grant the extension.
- 10. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to COVID-19 and current market conditions. In addition, the executive order entered by the federal administration in January 2021 impacted the timing of federal permitting, right-of-way, and sundries among other federal approvals needed prior to drilling.
- 11. Titus's operations and drilling activity have been impacted by COVID-19, oil and gas market conditions, and delays in federal permitting.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 2021, and that, after notice and hearing as required by

law, the Division enter an order amending Order No. R-21371 to extend the time to commence drilling the Cattlemen 322H Well to be no later than July 6, 2022.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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Attorneys for Titus Oil & Gas Production, LLC

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21372, LEA COUNTY, NEW MEXICO

Case No. 21868 Order No. R-21372 (Re-Open)

### **APPLICATION**

Titus Oil & Gas Production, LLC ("Titus"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division to amend Order No. R-21372 entered in Case No. 21209 to extend the time for drilling (1) the **Cattlemen Fed Com 432H** well (API # 30-025-48128) ("Cattlemen 432H Well") and (2) the **Cattlemen Fed Com 512H** well (API # 30-025-48130) ("Cattlemen 512H Well") approved in Order No. R-21372. In support of its application, Titus states as follows:

- 1. Order No. R-21372 pooled uncommitted interest owners in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 SW/4 of Section 17 and the E/2 W/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the Cattlemen 432H Well and the Cattlemen 512H Well.
  - 2. Titus is a working interest owner in the HSU and has the right to drill thereon.

<sup>&</sup>lt;sup>1</sup> Order No. R-21372 entered in Case No. 21209 is one of five orders relating to Titus's "Cattlemen" well group. By separate applications, Titus is seeking to amend Order No. R-21371 entered in Case No. 21208, Order No. R-21376 entered in Case No. 21210, Order No. R-21377 entered in Case No. 21211, and Order No. R-21378 entered in Case No. 21212.

- 3. Order No. R-21372 designated Titus as the operator of the Cattlemen 432H Well, the Cattlemen 512H Well, and the HSU.
- 4. Titus requests the Division re-open the matter to extend the time to commence drilling the Cattlemen 432H Well and the Cattlemen 512H Well to be no later than July 6, 2022, which will be a one-year extension from the time to commence drilling granted in Order No. R-21372.
- 5. The Division Hearing in the original proceeding, Case No. 21209, was held on June 25, 2020, in conjunction with four other Titus cases, Case Nos. 21208, 21210, 21211, and 21212.
  - 6. The Division entered Order No. R-21372 in Case No. 21209 on July 6, 2020.
- 7. Order No. R-21372, ¶ 19 states: "The Operator shall commence drilling the Well(s) within one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well." Order No. R-21372, ¶ 20 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown."
- 8. Under Order No. R-21372, Titus would be required to commence drilling the wells by July 6, 2021.
  - 9. Good cause exists for the Division to grant the extension.
- 10. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to COVID-19 and current market conditions. In addition, the executive order entered by the federal administration in January 2021 impacted the timing of federal permitting, right-of-way, and sundries among other federal approvals needed prior to drilling.

11. Titus's operations and drilling activity have been impacted by COVID-19, oil and gas market conditions, and delays in federal permitting.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 2021, and that, after notice and hearing as required by law, the Division enter an order amending Order No. R-21372 to extend the time to commence drilling (1) the Cattlemen 432H Well and (2) the Cattlemen 512H Well to be no later than July 6, 2022.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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Attorneys for Titus Oil & Gas Production, LLC

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21376, LEA COUNTY, NEW MEXICO

Case No. <u>21869</u> Order No. R-21376 (Re-Open)

#### **APPLICATION**

Titus Oil & Gas Production, LLC ("Titus"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division to amend Order No. R-21376 entered in Case No. 21210 to extend the time for drilling the **Cattlemen Fed Com 323H** well (API #30-025-48125) ("Cattlemen 323H Well") approved in Order No. R-21376. <sup>1</sup> In support of its application, Titus states as follows:

- 1. Order No. R-21376 pooled uncommitted interest owners in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the Cattlemen 323H Well.
  - 2. Titus is a working interest owner in the HSU and has the right to drill thereon.
- 3. Order No. R-21376 designated Titus as the operator of the Cattlemen 323H Well and the HSU.

Titus Oil & Gas Production, LLC NMOCD Case Nos. 21867-21871 May 6, 2021

<sup>&</sup>lt;sup>1</sup> Order No. R-21376 entered in Case No. 21210 is one of five orders relating to Titus's "Cattlemen" well group. By separate applications, Titus is seeking to amend Order No. R-21371 entered in Case No. 21208, Order No. R-21372 entered in Case No. 21209, Order No. R-21377 entered in Case No. 21211, and Order No. R-21378 entered in Case No. 21212.

- 4. Titus requests the Division re-open the matter to extend the time to commence drilling the Cattlemen 323H Well to be no later than July 22, 2022, which will be a one-year extension from the time to commence drilling granted in Order No. R-21376.
- 5. The Division Hearing in the original proceeding, Case No. 21210, was held on June 25, 2020, in conjunction with four other Titus cases, Case Nos. 21208, 21209, 21211, and 21212.
  - 6. The Division entered Order No. R-21376 in Case No. 21210 on July 22, 2020.
- 7. Order No. R-21376, ¶ 19 states: "The Operator shall commence drilling the Well(s) within one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well." Order No. R-21376, ¶ 20 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown."
- 8. Under Order No. R-21376, Titus would be required to commence drilling the well by July 22, 2021.
  - 9. Good cause exists for the Division to grant the extension.
- 10. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to COVID-19 and current market conditions. In addition, the executive order entered by the federal administration in January 2021 impacted the timing of federal permitting, right-of-way, and sundries among other federal approvals needed prior to drilling.
- 11. Titus's operations and drilling activity have been impacted by COVID-19, oil and gas market conditions, and delays in federal permitting.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 2021, and that, after notice and hearing as required by

law, the Division enter an order amending Order No. R-21376 to extend the time to commence drilling the Cattlemen 323H Well to be no later than July 22, 2022.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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Attorneys for Titus Oil & Gas Production, LLC

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21377, LEA COUNTY, NEW MEXICO

Case No. <u>21870</u> Order No. R-21377 (Re-Open)

### **APPLICATION**

Titus Oil & Gas Production, LLC ("Titus"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division to amend Order No. R-21377 entered in Case No. 21211 to extend the time for drilling (1) the **Cattlemen Fed Com 403H** well (API # 30-025-48126) ("Cattlemen 403H Well") and (2) the **Cattlemen Fed Com 513H** well (API # 30-025-48131) ("Cattlemen 513H Well") approved in Order No. R-21377. In support of its application, Titus states as follows:

- 1. Order No. R-21377 pooled uncommitted interest owners in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the Cattlemen 403H Well and the Cattlemen 513H Well.
  - 2. Titus is a working interest owner in the HSU and has the right to drill thereon.

EXHIBIT 1-D
Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21867-21871
May 6, 2021

<sup>&</sup>lt;sup>1</sup> Order No. R-21377 entered in Case No. 21211 is one of five orders relating to Titus's "Cattlemen" well group. By separate applications, Titus is seeking to amend Order No. R-21371 entered in Case No. 21208, Order No. 21372 entered in Case No. 21209, Order No. R-21376 entered in Case No. 21210, and Order No. R-21378 entered in Case No. 21212.

- 3. Order No. R-21377 designated Titus as the operator of the Cattlemen 403H Well, the Cattlemen 513H Well, and the HSU.
- 4. Titus requests the Division re-open the matter to extend the time to commence drilling the Cattlemen 403H Well and the Cattlemen 513H Well to be no later than July 22, 2022, which will be a one-year extension from the time to commence drilling granted in Order No. R-21377.
- 5. The Division Hearing in the original proceeding, Case No. 21211, was held on June 25, 2020, in conjunction with four other Titus cases, Case Nos. 21208, 21209, 21210, and 21212.
  - 6. The Division entered Order No. R-21377 in Case No. 21211 on July 22, 2020.
- 7. Order No. R-21377, ¶ 19 states: "The Operator shall commence drilling the Well(s) within one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well." Order No. R-21377, ¶ 20 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown."
- 8. Under Order No. R-21377, Titus would be required to commence drilling the wells by July 22, 2021.
  - 9. Good cause exists for the Division to grant the extension.
- 10. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to COVID-19 and current market conditions. In addition, the executive order entered by the federal administration in January 2021 impacted the timing of federal permitting, right-of-way, and sundries among other federal approvals needed prior to drilling.

11. Titus's operations and drilling activity have been impacted by COVID-19, oil and gas market conditions, and delays in federal permitting.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 2021, and that, after notice and hearing as required by law, the Division enter an order amending Order No. R-21377 to extend the time to commence drilling (1) the Cattlemen 403H Well and (2) the Cattlemen 513H Well to be no later than July 22, 2022.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen
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Attorneys for Titus Oil & Gas Production, LLC

APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC TO AMEND ORDER NO. R-21378, LEA COUNTY, NEW MEXICO

Case No. <u>21871</u> Order No. R-21378 (Re-Open)

#### **APPLICATION**

Titus Oil & Gas Production, LLC ("Titus"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division to amend Order No. R-21378 entered in Case No. 21212 to extend the time for drilling (1) the **Cattlemen Fed Com 404H** well (API # 30-025-48127) ("Cattlemen 404H Well"), (2) the **Cattlemen Fed Com 434H** well (API # 30-025-48129) ("Cattlemen 434H Well"), and (3) the **Cattlemen Fed Com 514H** well (API # 30-025-48132) ("Cattlemen 514H Well") approved in Order No. R-21378. In support of its application, Titus states as follows:

- 1. Order No. R-21378 pooled uncommitted interest owners in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 SE/4 of Section 17 and the E/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the Cattlemen 404H Well, the Cattlemen 434H Well, and the Cattlemen 514H Well.
  - 2. Titus is a working interest owner in the HSU and has the right to drill thereon.

<sup>&</sup>lt;sup>1</sup> Order No. R-21378 entered in Case No. 21212 is one of five orders relating to Titus's "Cattlemen" well group. By separate applications, Titus is seeking to amend Order No. R-21371 entered in Case No. 21208, Order No. 21372 entered in Case No. 21209, Order No. R-21376 entered in Case No. 21210, and Order No. R-21377 entered in Case No. 21211.

- 3. Order No. R-21378 designated Titus as the operator of the Cattlemen 404H Well, the Cattlemen 434H Well, the Cattlemen 514H Well, and the HSU.
- 4. Titus requests the Division re-open the matter to extend the time to commence drilling the Cattlemen 404H Well, the Cattlemen 434H Well, and the Cattlemen 514H Well to be no later than July 22, 2022, which will be a one-year extension from the time to commence drilling granted in Order No. R-21378.
- 5. The Division Hearing in the original proceeding, Case No. 21378, was held on June 25, 2020, in conjunction with four other Titus cases, Case Nos. 21208, 21209, 21210, and 21211.
  - 6. The Division entered Order No. R-21378 in Case No. 21212 on July 22, 2020.
- 7. Order No. R-21378, ¶ 19 states: "The Operator shall commence drilling the Well(s) within one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well." Order No. R-21378, ¶ 20 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown."
- 8. Under Order No. R-21378, Titus would be required to commence drilling the wells by July 22, 2021.
  - 9. Good cause exists for the Division to grant the extension.
- 10. Titus requests an extension of time because there have been changes in Titus's drilling schedule due to COVID-19 and current market conditions. In addition, the executive order entered by the federal administration in January 2021 impacted the timing of federal permitting, right-of-way, and sundries among other federal approvals needed prior to drilling.

11. Titus's operations and drilling activity have been impacted by COVID-19, oil and gas market conditions, and delays in federal permitting.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 2021, and that, after notice and hearing as required by law, the Division enter an order amending Order No. R-21378 to extend the time to commence drilling (1) the Cattlemen 404H Well, (2) the Cattlemen 434H Well, and (3) the Cattlemen 514H Well to be no later than July 22, 2022.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen
Sharon T. Shaheen
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(505) 986-2678
sshaheen@montand.com
jmcintyre@montand.com

Attorneys for Titus Oil & Gas Production, LLC

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY TITUS OIL & GAS PRODUCTION, LLC

CASE NO. 21208 ORDER NO. R-21371

#### **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on June 25<sup>th</sup>, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

### **FINDINGS OF FACT**

- 1. Titus Oil & Gas Production, LLC ("Operator"), submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

#### **CONCLUSIONS OF LAW**

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

EXHIBIT 2-A
Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21867-21871
May 6, 2021

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- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

#### **ORDER**

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/kms

Date: 7/06/2020

### Exhibit "A"

ALE IN ONIVIATION IN THE AIT EIGHTION WOST	BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21208	APPLICANT'S RESPONSE	
Date	June 25, 2020	
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:	Candace Callahan, obo Chevron U.S.A. Inc.	
Well Family	Cattlemen 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-025 G-08 S263412K; Bone Spring [ 96672]	
Well Location Setback Rules:	Statewide rules	
Spacing Unit Size:	240 acres, more or less	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	240 acres, more or less	
Building Blocks:	Quarter-quarter section (40 ac)	
Orientation:	North-South	
Description: TRS/County	E2SW4 of Section 17 and E2W2 of Section 20, 26S-35E, Lea 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 (97%); Tract 2 (100%)	
Well(s)		
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)		

Well #1	Cattlemen Fed Com 322H, API No. Pending
	SHL: 2084' FNL and 1994' FWL, Section 17-T26S-R35E, NMPM
	BHL: 10' FSL and 1651' FWL, Section 20-T26S-R35E, NMPM
	Completion Target: 3rd Bone Spring at approx. 12,500 Feet TVD Well Orientation: North to South Completion location expected to be standard
Horizontal Well First and Last Take Points	FTP (~2541' FSL and 1651' FWL of Section 17-T26S-R35E); LTP (~100' FSL and 1651' FWL of Section 20-T26S-R35E)
Completion Target (Formation, TVD and MD)	Third Bone Spring; TVD (~12,500'); MD (~20,420')
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000; see Exhibit A, ¶ 22
Production Supervision/Month \$	\$800; see Exhibit A, ¶ 22
Justification for Supervision Costs	Please see AFE at Exhibit A-7
Requested Risk Charge	200%; please see Exhibit A, ¶ 23
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-8
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, & A-4
Tract List (including lease numbers and owners)	See Exhibits A-2 & A-3
Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled	none
Ownership Depth Severance (including percentage above & below)	none
Joinder	
Sample Copy of Proposal Letter	Exhibit A-7
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	n/a
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7
Cost Estimate to Equip Well	See AFE at Exhibit A-7
Cost Estimate for Production Facilities	See AFE at Exhibit A-7
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-6		
Tracts	Exhibit A-2		
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-2, A-3, & A-4		
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	None		
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):	Tharm I Shakeen		
Date:	6/23/2020		

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY TITUS OIL & GAS PRODUCTION, LLC

CASE NO. 21209 ORDER NO. R-21372

#### **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on June 25<sup>th</sup>, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

### **FINDINGS OF FACT**

- 1. Titus Oil & Gas Production, LLC ("Operator"), submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

#### **CONCLUSIONS OF LAW**

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

EXHIBIT 2-B Titus Oil & Gas Production, LLC NMOCD Case Nos. 21867-21871 May 6, 2021

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

#### **ORDER**

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/kms

Date: \_\_\_\_\_7/06/2020

# Exhibit "A"

ALL INFORMATION IN THE APPLICATION MUST I	BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21209	APPLICANT'S RESPONSE	
Date	June 25, 2020	
Applicant	Titus Oil & Gas Production, LLC	
Designated Operator & OGRID (affiliation if applicable)	373986	
Constitution of the control of the c	Montgomery & Andrews, P.A. (Sharon Shaheen &	
Applicant's Counsel:	John McIntyre)	
Case Title:	Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico	
Entries of Appearance/Intervenors:	Candace Callahan, obo Chevron U.S.A. Inc.	
Well Family	Cattlemen Wells	
Formation/Pool		
Formation Name(s) or Vertical Extent:	Wolfcamp Formation	
Primary Product (Oil or Gas):	Oil	
Pooling this vertical extent:	Wolfcamp Formation	
Pool Name and Pool Code:	WC-025 G-09 S263619C; Wolfcamp [98234]	
Well Location Setback Rules:	Statewide rules	
Spacing Unit Size:	240 acres, more or less	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	240 acres, more or less	
Building Blocks:	Quarter-quarter section (40 ac)	
Orientation:	North-South	
Description: TRS/County	E2SW4 of Section 17 and	
	E2W2 of Section 20, 26S-35E, Lea 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 (97%); Tract 2 (100%)	
Well(s)		
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status		

Well #1	Cattlemen Fed Com 432H, API No. Pending
	SHL: 2084' FNL and 2054' FWL, Section 17-T26S-R35E, NMPM BHL: 10' FSL and 2310' FWL, Section 20-T26S-R35E, NMPM
	Completion Target: Wolfcamp A at approx. 12,760' TVD Well Orientation: North to South Completion location expected to be standard
Well #2	Cattlemen Fed Com 512H, API No. Pending
	SHL: 2084 <sup>'</sup> FNL and 2024 <sup>'</sup> FWL, Section 17-T26S-R35E, NMPM BHL: 10 <sup>'</sup> FSL and 1850 <sup>'</sup> FWL, Section 20-T26S-R35E, NMPM
	Completion Target: Wolfcamp B at approx. 13,050' TVD Well Orientation: North to South Completion location expected to be standard
Horizontal Well #1 First and Last Take Points	432H: FTP (~2541' FSL and 2310' FWL of Section 17- T26S-R35E); LTP (~100' FSL and 2310' FWL of Section 20-T26S-R35E)
Horizontal Well #2 First and Last Take Points	512H: FTP (~2541' FSL and 1850' FWL of Section 17- T26S-R35E); LTP (~100' FSL and 1850' FWL of Section 20-T26S-R35E)
Horizontal Well # 1 Completion Target (Formation, TVD and MD)	432H: Wolfcamp A; TVD (~12,760'); MD (~20,680')
Horizontal Well # 2 Completion Target (Formation, TVD and MD)	512H: Wolfcamp B; TVD (~13,050'); MD (~20,970')
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000; see Exhibit A, ¶ 22
Production Supervision/Month \$	\$800; see Exhibit A, ¶ 22
Justification for Supervision Costs	Please see AFE at Exhibit A-7
Requested Risk Charge	200%; please see Exhibit A, ¶ 23
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-8
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, & A-4
Tract List (including lease numbers and owners)	See Exhibits A-2 & A-3

Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled	none
Ownership Depth Severance (including percentage above & below)	none
Joinder	
Sample Copy of Proposal Letter	Exhibit A-7
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	n/a
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7
Cost Estimate to Equip Well	See AFE at Exhibit A-7
Cost Estimate for Production Facilities	See AFE at Exhibit A-7
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-6
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-2, A-3, & A-4
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	None
CERTIFICATION: I hereby certify that the information provide	led in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
Signed Name (Attorney or Party Representative):	Thoron of Shokeen
Date:	6/23/2020

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY TITUS OIL & GAS PRODUCTION, LLC

CASE NO. 21210 ORDER NO. R-21376

#### **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on June 25, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

## **FINDINGS OF FACT**

- 1. Titus Oil & Gas Production, LLC ("Operator"), submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

#### **CONCLUSIONS OF LAW**

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

EXHIBIT 2-C
Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21867-21871
May 6, 2021

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

#### **ORDER**

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Other provisions of this order notwithstanding, pursuant to stipulation of Operator and Chevron, Operator, at its election, shall have the right from time to time to demand and receive from Chevron U.S.A. Inc. ("Chevron") payment in advance of its respective share of the estimated amount of expense to be incurred in operations hereunder during the next succeeding month, which right may be exercised only by submission to Chevron of an itemized statement of such expense, together with an invoice for its share thereof. Each such statement and invoice for the payment in advance of estimated expense shall be submitted on or before the 20th day of the next preceding month. Chevron shall pay to Operator its proportionate share of such estimate within thirty (30) days after such estimate and invoice is received. Proper adjustment shall be made monthly between advances and actual expense to the end that Chevron shall bear and pay its proportionate share of actual expenses incurred, and no more.
- 32. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 33. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 34. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

- 35. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR AES/tgw Date: \_\_\_\_7/22/2020

# Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST - THIRD REVISED VERSION	
ALL INFORMATION IN THE APPLICATION MUST	BE SUPPORTED BY SIGNED AFFIDAVITS
Case: 21210	APPLICANT'S RESPONSE
Date	June 25, 2020
Applicant	Titus Oil & Gas Production, LLC
Designated Operator & OGRID (affiliation if applicable)	373986
Applicant's Counsel: Case Title:	Montgomery & Andrews, P.A. (Sharon Shaheen & John McIntyre)  Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Candace Callahan, obo Chevron U.S.A. Inc.
Well Family	Cattlemen 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-025 G-08 S263412K; Bone Spring [96672]
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	240 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	North-South
Description: TRS/County	W2SE4 of Section 17 and W2E2 of Section 20, 26S-35E, Lea 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 (60%); Tract 2 (100%); Tract 3 (100%)
Well(s)  Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Cattlemen Fed Com 323H, API No. Pending
	SHL: 2077' FNL and 1912' FEL, Section 17-T26S-R35E, NMPM BHL: 10' FSL and 1650' FEL, Section 20-T26S-R35E, NMPM
	Completion Target: 3rd Bone Spring at approx 12,500 Feet TVD Well Orientation: North to South Completion location expected to be standard

Horizontal Well First and Last Take Points	FTP (~2541' FSL and 1651' FEL of Section 17-T26S-R35E); LTP (~100' FSL and 1650' FEL of Section 20-T26S-R35E)
Completion Target (Formation, TVD and MD)	Third Bone Spring; TVD (~12,500'); MD (~20,420')
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000; see Exhibit A, ¶ 22
Production Supervision/Month \$	\$800; see Exhibit A, ¶ 22
Justification for Supervision Costs	Please see AFE at Exhibit A-7
Requested Risk Charge	200%; please see Exhibit A, ¶ 23
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-8
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, & A-4
Tract List (including lease numbers and owners)	See Exhibits A-2 & A-3
Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled	none
Ownership Depth Severance (including percentage above & below)	none
Joinder	
Sample Copy of Proposal Letter	Exhibit A-7
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	n/a
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7
Cost Estimate to Equip Well	See AFE at Exhibit A-7
Cost Estimate for Production Facilities	See AFE at Exhibit A-7
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-6
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-2, A-3, & A-4
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	

Special Provisions/Stipulations	"Applicant, at its election, shall have the right from time to time to demand and receive from Chevron U.S.A. Inc. ("Chevron") payment in advance of its respective share of the estimated amount of expense to be incurred in operations hereunder
	during the next succeeding month, which right may be exercised only by submission to Chevron of an itemized statement of such expense, together with an invoice for its share thereof. Each such statement and invoice for the payment in advance of estimated expense shall be submitted on or before the 20th day of the next preceding month. Chevron shall pay to Operator its proportionate share of such estimate within thirty (30) days after such estimate and invoice is received. Proper adjustment shall be made monthly between advances and actual expense to the end that Chevron shall bear and pay its proportionate share of actual expenses incurred, and no more."
CERTIFICATION: I hereby certify that the information pro	vided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
Signed Name (Attorney or Party Representative):	Shown of Shokeen
Date:	7/10/2020

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY TITUS OIL & GAS PRODUCTION, LLC

CASE NO. 21211 ORDER NO. R-21377

#### **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on June 25, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

## **FINDINGS OF FACT**

- 1. Titus Oil & Gas Production, LLC ("Operator"), submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

#### **CONCLUSIONS OF LAW**

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

**EXHIBIT 2-D** 

Titus Oil & Gas Production, LLC NMOCD Case Nos. 21867-21871 May 6, 2021

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

#### **ORDER**

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Other provisions of this order notwithstanding, pursuant to stipulation of Operator and Chevron, Operator, at its election, shall have the right from time to time to demand and receive from Chevron U.S.A. Inc. ("Chevron") payment in advance of its respective share of the estimated amount of expense to be incurred in operations hereunder during the next succeeding month, which right may be exercised only by submission to Chevron of an itemized statement of such expense, together with an invoice for its share thereof. Each such statement and invoice for the payment in advance of estimated expense shall be submitted on or before the 20th day of the next preceding month. Chevron shall pay to Operator its proportionate share of such estimate within thirty (30) days after such estimate and invoice is received. Proper adjustment shall be made monthly between advances and actual expense to the end that Chevron shall bear and pay its proportionate share of actual expenses incurred, and no more.
- 32. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 33. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 34. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

- 35. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR AES/tgw Date: 7/22/2020

# Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST - THIRD REVISED		
VEI	RSION RE SUDDOPTED BY SIGNED ACCIDANITS	
Case: 21211 APPLICATION IN THE APPLICATION WIGST BE SUPPORTED BY SIGNED APPLICANT'S RESPONSE		
Date	June 25, 2020	
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:	Candace Callahan, obo Chevron U.S.A. Inc.	
Well Family	Cattlemen Wells	
Formation/Pool		
Formation Name(s) or Vertical Extent:	Wolfcamp Formation	
Primary Product (Oil or Gas):	Oil	
Pooling this vertical extent:	Wolfcamp Formation	
Pool Name and Pool Code:	WC-025 G-09 S263619C; Wolfcamp [98234]	
Well Location Setback Rules:	Statewide rules	
Spacing Unit Size:	240 acres, more or less	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	240 acres, more or less	
Building Blocks:	Quarter-quarter section (40 ac)	
Orientation:	North-South	
Description: TRS/County	W2SE4 of Section 17 and W2E2 of Section 20, 26S-35E, Lea 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 (60%); Tract 2 (100%); Tract 3 (100%)	
Well(s)		
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)		

Well #1	Cattlemen Fed Com 403H, API No. Pending
	SHL: 2077' FNL and 1972' FEL, Section 17-T26S-R35E, NMPM BHL: 10' FSL and 2310' FEL, Section 20-T26S-R35E, NMPM  Completion Target: Wolfcamp X/Y at approx. 12,600' TVD
	Well Orientation: North to South
	Completion location expected to be standard
Well #2	Cattlemen Fed Com 513H, API No. Pending
	SHL: 2077' FNL and 1942' FEL, Section 17-T26S-R35E, NMPM BHL: 10' FSL and 1870' FEL, Section 20-T26S-R35E, NMPM
	Completion Target: Wolfcamp B at approx. 13,050' TVD
	Well Orientation: North to South  Completion location expected to be standard
	completion location expected to be standard
Horizontal Well #1 First and Last Take Points	403H: FTP (~2541' FSL and 2310' FEL of Section 17-T26S-
HOUZOILAI WEII #1 FIISL AIIU LASL TAKE FOIILS	R35E); LTP (~100' FSL and 2308' FEL of Section 17-1203-
Horizontal Well #2 First and Last Take Points	513H: FTP (~2541' FSL and 1870' FEL of Section 17-T26S-
	R35E); LTP (~100' FSL and 1870' FEL of Section 20-T26S-R35E)
Horizontal Well # 1 Completion Target	403H: Wolfcamp X/Y; TVD (~12,600'); MD (~20,520')
(Formation, TVD and MD)	22,550 y mo ( 25,520 y
Horizontal Well # 2 Completion Target	513H: Wolfcamp B; TVD (~13,050'); MD (~20,970')
(Formation, TVD and MD)	
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000; see Exhibit A, ¶ 22
Production Supervision/Month \$	\$800; see Exhibit A, ¶ 22
Justification for Supervision Costs	Please see AFE at Exhibit A-7
Requested Risk Charge	200%; please see Exhibit A, ¶ 23
Notice of Hearing	
Proposed Notice of Hearing	Submitted with filing of Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C; see Exhibit A-8
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, & A-4
Tract List (including lease numbers and owners)	See Exhibits A-2 & A-3
Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled	none
Ownership Depth Severance (including percentage above & below)	none

Joinder	
Sample Copy of Proposal Letter	Exhibit A-7
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	n/a
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7
Cost Estimate to Equip Well	See AFE at Exhibit A-7
Cost Estimate for Production Facilities	See AFE at Exhibit A-7
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-6
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-2, A-3, & A-4
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 Special Provisions/Stipulations	"Applicant, at its election, shall have the right from time to time to
	demand and receive from Chevron U.S.A. Inc. ("Chevron") payment in advance of its respective share of the estimated amount of expense to be incurred in operations hereunder during the next succeeding month, which right may be exercised only by submission to Chevron of an itemized statement of such expense, together with an invoice for its share thereof. Each such statement and invoice for the payment in advance of estimated expense shall be submitted on or before the 20th day of the next preceding month. Chevron shall pay to Operator its proportionate share of such estimate within thirty (30) days after such estimate and invoice is received. Proper adjustment shall be made monthly between advances and actual expense to the end that Chevron shall bear and pay its proportionate share of actual expenses incurred, and no more."
CERTIFICATION: I hereby certify that the information provide	
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
Signed Name (Attorney or Party Representative):	Shoron of Shokeen
Date:	7/10/2020

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY TITUS OIL & GAS PRODUCTION, LLC

**CASE NO.** 21212 **ORDER NO.** R-21378

#### **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on June 25, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

## **FINDINGS OF FACT**

- 1. Titus Oil & Gas Production, LLC ("Operator"), submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

#### **CONCLUSIONS OF LAW**

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

EXHIBIT 2-E Titus Oil & Gas Production, LLC NMOCD Case Nos. 21867-21871

May 6, 2021

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

#### **ORDER**

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Other provisions of this order notwithstanding, pursuant to stipulation of Operator and Chevron, Operator, at its election, shall have the right from time to time to demand and receive from Chevron U.S.A. Inc. ("Chevron") payment in advance of its respective share of the estimated amount of expense to be incurred in operations hereunder during the next succeeding month, which right may be exercised only by submission to Chevron of an itemized statement of such expense, together with an invoice for its share thereof. Each such statement and invoice for the payment in advance of estimated expense shall be submitted on or before the 20th day of the next preceding month. Chevron shall pay to Operator its proportionate share of such estimate within thirty (30) days after such estimate and invoice is received. Proper adjustment shall be made monthly between advances and actual expense to the end that Chevron shall bear and pay its proportionate share of actual expenses incurred, and no more.
- 32. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 33. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 34. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

- 35. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR AES/tgw Date: \_\_\_\_\_7/22/2020

# Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST - THIRD REVISED VERSION	
ALL INFORMATION IN THE APPLICATION MUST E	BE SUPPORTED BY SIGNED AFFIDAVITS
Case: 21212	APPLICANT'S RESPONSE
Date	June 25, 2020
Applicant	Titus Oil & Gas Production, LLC
Designated Operator & OGRID (affiliation if applicable)	373986
Applicant's Counsel: Case Title:	Montgomery & Andrews, P.A. (Sharon Shaheen & John McIntyre) Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea
	County, New Mexico
Entries of Appearance/Intervenors:	Candace Callahan, obo Chevron U.S.A. Inc.
Well Family	Cattlemen Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	WC-025 G-09 S263619C; Wolfcamp [98234]
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	240 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	North-South
Description: TRS/County	E2SE4 of Section 17 and E2E2 of Section 20, 26S-35E, Lea 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 (60%); Tract 2 (100%)
Well(s)  Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Cattlemen Fed Com 404H, API No. Pending
	SHL: 1948' FNL and 892' FEL, Section 17-T265-R35E, NMPM BHL: 10' FSL and 330' FEL, Section 20-T265-R35E, NMPM  Completion Target: Wolfcamp X/Y at approx 12,600 Feet TVD Well Orientation: North to South
	Completion location expected to be standard

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-8  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, & A-4  Tract List (including lease numbers and owners)  See Exhibits A-2 & A-3  Pooled Parties (including ownership type)  Exhibit A-4	Well #2	Cattlemen Fed Com 434H, API No. Pending
Completion Target: Wolfcamp A at approx 12,760 Feet TVD Well Orientation: North to South Completion Incation expected to be standard  Well R3  Cattlemen Fed Com 514H, API No. Pending SHL: 1948' FNL and 922' FEL, Section 17-7265-R35E, NMPPM BHL: 10' FSL and 530' FEL, Section 20-7265-R35E, NMPPM Completion Target: Wolfcamp B at approx 13,050 Feet TVD Well Orientation: North to South Completion Target: Wolfcamp B at approx 13,050 Feet TVD Well Orientation: North to South Completion Incation expected to be standard  Horizontal Well First and Last Take Points  Well #1  404H: FIP (-2541' FSL and 330' FEL of Section 17-7265-R35E); LTP (-100' FSL and 330' FEL of Section 20-7265-R35E)  Well #2  434H: FIP (-2541' FSL and 990' FEL of Section 17-7265-R35E); LTP (-100' FSL and 990' FEL of Section 20-7265-R35E)  Well #3  514H: FIP (-2541' FSL and 530' FEL of Section 17-7265-R35E); LTP (-100' FSL and 990' FEL of Section 20-7265-R35E)  Completion Target (Formation, TVD and MID)  Well #1  404H: Wolfcamp X/Y; TVD ("12,600'); MD ("20,520')  Well #2  434H: Wolfcamp B, TVD ("12,600'); MD ("20,520')  Well #3  514H: Wolfcamp B, TVD ("13,050'); MD ("20,580')  Well #3  514H: Wolfcamp B, TVD ("13,050'); MD ("20,970')  AFE Capex and Operating Costs  Drilling Supervision/Month S  5800; see Exhibit A, ¶ 22  Pood Malled Motice of Hearing  Proposed Notice of Hearing  Proposed Notice of Hearing (20 days before hearing)  Proof of Published Notice of Hearing (20 days before hearing)  Proof of Published Notice of Hearing (20 days before hearing)  Proof of Published Notice of Hearing (20 days before hearing)  Proof of Published Notice of Hearing (20 days before hearing)  Submitted with online filing of Application  Proposed Malled Notice of Hearing (20 days before hearing)  Submitted with online filing of Application  Proposed Malled Notice of Hearing (20 days before hearing)  Proposed Malled Notice of Hearing (20 days before hearing)  Submitted with online filing of Application  Proposed Parties (including lease numbers and owners)  See Exhibits		100000000000000000000000000000000000000
Well #3  Cattlemen Fed Com 514H, API No. Pending SHL: 1945' FNL and 922' FEL, Section 17-T265-R35E, NMPM BHL: 10' FSL and 530' FEL, Section 20-T265-R35E, NMPM Completion Target: Wolfcamp B at approx 13,050 Feet TVD Well Orientation: North to South Completion Iocation expected to be standard  Well #1  404H: FIF (-2541' FSL and 330' FEL of Section 17-T265-R35E); LTP ("100' FSL and 330' FEL of Section 17-T265-R35E); LTP ("100' FSL and 330' FEL of Section 17-T265-R35E); LTP ("100' FSL and 330' FEL of Section 20-T265-R35E) Well #2  434H: FIF (-2541' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL and 530' FEL of Section 20-T265-R35E)  Well #3  514H: FIF (-2541' FSL and 530' FEL of Section 17-T265-R35E); LTP ("100' FSL and 530' FEL of Section 20-T265-R35E)  Well #3  514H: FIF (-2541' FSL and 530' FEL of Section 17-T265-R35E); LTP ("100' FSL and 530' FEL of Section 20-T265-R35E)  Well #1  404H: Wolfcamp X/Y; TVD ("12,760"); MD ("20,520")  Well #2  434H: Wolfcamp X; TVD ("12,760"); MD ("20,680")  Well #3  514H: Wolfcamp X; TVD ("13,050"); MD ("20,680")  Well #3  514H: Wolfcamp X; TVD ("13,050"); MD ("20,680")  Well #3  514H: Wolfcamp X; TVD ("13,050"); MD ("20,680")  Well #3  514H: Wolfcamp X; TVD ("13,050"); MD ("20,680")  Well #3  514H: Wolfcamp X; TVD ("13,050"); MD ("20,680")  Well #3  514H: Wolfcamp X; TVD ("13,050"); MD ("20,680")  Well #3  514H: Wolfcamp X; TVD ("13,050"); MD ("20,680")  Well #3  514H: Wolfcamp X; TVD ("13,050"); MD ("20,680")  Well #3  514H: Wolfcamp X; TVD ("13,050"); MD ("20,680")  Well #3  514H: Wolfcamp X; TVD ("13,050"); MD ("20,680")  Well X; Sec Exhibit A, ¶ 22  Producted Risk Charge  200%; please see Exhibit A, ¶ 22  Wolfcamp X; TVD ("13,050"); MD ("20,680")  Exhibit C; Sec Exhibit A, ¶ 23  Wolfcamp X; TVD ("13,050"); MD ("20,680")  Sec Exhibit A, & A,		BHL: 10 FSL and 989 FEL, Section 20-1265-R35E, NIVIPIVI
Well #3  Cattlemen Fed Com 514H, API No. Pending  SHL: 1948' FNL and 922' FEL, Section 17-T265-R35E, NMPM BHL: 10' FSL and 530' FEL, Section 20-T265-R35E, NMPM Completion Target: Wolfcamp B at approx 13,050 Feet TVD Well Orientation: North to South Completion Iocation expected to be standard  Well #1  404H: FTP (-2541' FSL and 330' FEL of Section 17-T265-R35E); LTP (-100' FSL and 330' FEL of Section 20-T265-R35E); LTP (-100' FSL and 330' FEL of Section 17-T265-R35E); LTP (-100' FSL and 330' FEL of Section 17-T265-R35E); LTP (-100' FSL and 380' FEL of Section 10-T265-R35E); LTP (-100' FSL and 980' FEL of Section 20-T265-R35E); LTP (-100' FSL and 980' FEL of Section 10-T265-R35E); LTP (-100' FSL and 580' FEL of Section 20-T265-R35E); LTP (-10		, , , , , ,
Well #3		
SHL: 1948' FNL and 922' FEL, Section 17-T265-R35E, NMPM BHL: 10' FSL and 530' FEL, Section 20-T265-R35E, NMPM Completion Target: Wolfcamp B at approx 13,050 Feet TVD Well Orientation: North to South Completion Tocation expected to be standard  Horizontal Well First and Last Take Points  Well #1  404H: FTP (~2541' FSL and 330' FEL of Section 17-T265-R35E); LTP (~100' FSL and 330' FEL of Section 20-T265-R35E)  Well #2  434H: FTP (~2541' FSL and 990' FEL of Section 17-T265-R35E); LTP (~100' FSL and 989' FEL of Section 20-T265-R35E)  Well #3  514H: FTP (~2541' FSL and 990' FEL of Section 17-T265-R35E); LTP (~100' FSL and 980' FEL of Section 20-T265-R35E)  Well #3  514H: FTP (~2541' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 20-T265-R35E)  Well #3  404H: Wolfcamp X/Y; TVD (~12,600'); MD (~20,520')  Well #1  404H: Wolfcamp X/Y; TVD (~12,600'); MD (~20,520')  Well #2  434H: Wolfcamp A; TVD (~12,600'); MD (~20,520')  Well #3  514H: Wolfcamp B; TVD (~13,050'); MD (~20,980')  Well #3  514H: Wolfcamp B; TVD (~13,050'); MD (~20,970')  AFE Capex and Operating Costs  Drilling Supervision/Month S  S800; see Exhibit A, ¶ 22  Justification for Supervision Costs  Please see AFE at Exhibit A- ₹ 22  Justification for Supervision Costs  Please see AFE at Exhibit A- ₹ 23  Notice of Hearing  Proposed Notice of Hearing (20 days before hearing)  Proposed Notice of Hearing (20 days before hearing)  Proposed Notice of Hearing (20 days before hearing)  Exhibit C: see Exhibit A- 8  Proof of Mailed Notice of Hearing (10 days before hearing)  Exhibit C: See Exhibit A- 8  Proof of Published Notice of Hearing (10 days before hearing)  Exhibit C: See Exhibit A- 8  Proof of Published Notice of Hearing (20 days before hearing)  Exhibit C: See Exhibit A- 8  See Exhibit A- 2. A- 3. A- 4  Sec Exhibit A- 2. A- 3. A- 4		completion location expected to be standard
SHL: 1948' FNL and 922' FEL, Section 17-T265-R35E, NMPM BHL: 10' FSL and 530' FEL, Section 20-T265-R35E, NMPM Completion Target: Wolfcamp B at approx 13,050 Feet TVD Well Orientation: North to South Completion Tocation expected to be standard  Horizontal Well First and Last Take Points  Well #1  404H: FTP (~2541' FSL and 330' FEL of Section 17-T265-R35E); LTP (~100' FSL and 330' FEL of Section 20-T265-R35E)  Well #2  434H: FTP (~2541' FSL and 990' FEL of Section 17-T265-R35E); LTP (~100' FSL and 989' FEL of Section 20-T265-R35E)  Well #3  514H: FTP (~2541' FSL and 990' FEL of Section 17-T265-R35E); LTP (~100' FSL and 980' FEL of Section 20-T265-R35E)  Well #3  514H: FTP (~2541' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 20-T265-R35E)  Well #3  404H: Wolfcamp X/Y; TVD (~12,600'); MD (~20,520')  Well #1  404H: Wolfcamp X/Y; TVD (~12,600'); MD (~20,520')  Well #2  434H: Wolfcamp A; TVD (~12,600'); MD (~20,520')  Well #3  514H: Wolfcamp B; TVD (~13,050'); MD (~20,980')  Well #3  514H: Wolfcamp B; TVD (~13,050'); MD (~20,970')  AFE Capex and Operating Costs  Drilling Supervision/Month S  S800; see Exhibit A, ¶ 22  Justification for Supervision Costs  Please see AFE at Exhibit A- ₹ 22  Justification for Supervision Costs  Please see AFE at Exhibit A- ₹ 23  Notice of Hearing  Proposed Notice of Hearing (20 days before hearing)  Proposed Notice of Hearing (20 days before hearing)  Proposed Notice of Hearing (20 days before hearing)  Exhibit C: see Exhibit A- 8  Proof of Mailed Notice of Hearing (10 days before hearing)  Exhibit C: See Exhibit A- 8  Proof of Published Notice of Hearing (10 days before hearing)  Exhibit C: See Exhibit A- 8  Proof of Published Notice of Hearing (20 days before hearing)  Exhibit C: See Exhibit A- 8  See Exhibit A- 2. A- 3. A- 4  Sec Exhibit A- 2. A- 3. A- 4		
BHL: 10' FSL and 530' FEL, Section 20-T265-R35E, NMPM Completion Target: Wolfcamp B at approx 13,050 Feet TVD Well Orientation: North to South Completion location expected to be standard  Horizontal Well First and Last Take Points  Well #1  404H: FTP (-2541' FSL and 330' FEL of Section 17-T265-R35E); LTP (~100' FSL and 330' FEL of Section 20-T265-R35E); LTP (~100' FSL and 330' FEL of Section 20-T265-R35E); LTP (~100' FSL and 330' FEL of Section 20-T265-R35E); LTP (~100' FSL and 398' FEL of Section 20-T265-R35E); LTP (~100' FSL and 989' FEL of Section 20-T265-R35E); LTP (~100' FSL and 530' FEL of Section 20-T265-R35E); LTP (~100' FSL and 530' FEL of Section 20-T265-R35E); LTP (~100' FSL and 530' FEL of Section 20-T265-R35E); LTP (~100' FSL and 530' FEL of Section 20-T265-R35E); LTP (~100' FSL and 530' FEL of Section 20-T265-R35E); LTP (~100' FSL and 530' FEL of Section 20-T265-R35E); LTP (~100' FSL and 530' FEL of Section 20-T265-R35E); LTP (~100' FSL and 530' FEL of Section 20-T265-R35E); LTP (~100' FSL and 530' FEL of Section 20-T265-R35E); LTP (~100' FSL and 530' FEL of Section 20-T265-R35E); LTP (~100' FSL and 530' FEL of Section 20-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL a	Well #3	Cattlemen Fed Com 514H, API No. Pending
BHL: 10' FSL and 530' FEL, Section 20-T265-R35E, NMPM Completion Target: Wolfcamp B at approx 13,050 Feet TVD Well Orientation: North to South Completion location expected to be standard  Horizontal Well First and Last Take Points  Well #1  404H: FTP (-2541' FSL and 330' FEL of Section 17-T265-R35E); LTP ("100' FSL and 330' FEL of Section 20-T265-R35E); LTP ("100' FSL and 330' FEL of Section 20-T265-R35E); LTP ("100' FSL and 330' FEL of Section 20-T265-R35E); LTP ("100' FSL and 390' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL and 990' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL and 990' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 20-T265-R35E); LTP ("100' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL and 990' FEL of Section 17-T265-R35E); LTP ("100' FSL a		SHL: 1948' FNL and 922' FEL, Section 17-T26S-R35E, NMPM
Well #1 A04H: FTP (~2541' FSL and 330' FEL of Section 17-T265-R35E); LTP (~100' FSL and 330' FEL of Section 17-T265-R35E); LTP (~100' FSL and 330' FEL of Section 17-T265-R35E); LTP (~100' FSL and 330' FEL of Section 17-T265-R35E); LTP (~100' FSL and 330' FEL of Section 17-T265-R35E); LTP (~100' FSL and 390' FEL of Section 17-T265-R35E); LTP (~100' FSL and 980' FEL of Section 17-T265-R35E); LTP (~100' FSL and 980' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 20-T265-R35E)  Completion Target (Formation, TVD and MD)  Well #1		The state of the s
Well #1 A04H: FTP (~2541' FSL and 330' FEL of Section 17-T265-R35E); LTP (~100' FSL and 330' FEL of Section 17-T265-R35E); LTP (~100' FSL and 330' FEL of Section 17-T265-R35E); LTP (~100' FSL and 330' FEL of Section 17-T265-R35E); LTP (~100' FSL and 330' FEL of Section 17-T265-R35E); LTP (~100' FSL and 390' FEL of Section 17-T265-R35E); LTP (~100' FSL and 980' FEL of Section 17-T265-R35E); LTP (~100' FSL and 980' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 530' FEL of Section 20-T265-R35E)  Completion Target (Formation, TVD and MD)  Well #1		Completion Target: Wolfcamp B at approx 13 050 Feet TVD
Horizontal Well First and Last Take Points  Well #1  404H: FTP (~2541' FSL and 330' FEL of Section 17-T265-R35E); LTP (~100' FSL and 330' FEL of Section 20-T265-R35E)  Well #2  434H: FTP (~2541' FSL and 990' FEL of Section 17-T265-R35E); LTP (~100' FSL and 989' FEL of Section 20-T265-R35E)  Well #3  514H: FTP (~2541' FSL and 530' FEL of Section 17-T265-R35E); LTP (~100' FSL and 580' FEL of Section 20-T265-R35E)  Completion Target (Formation, TVD and MD)  Well #1  404H: Wolfcamp X/Y; TVD (~12,600'); MD (~20,520')  Well #2  434H: Wolfcamp A; TVD (~12,760'); MD (~20,520')  Well #3  514H: Wolfcamp B; TVD (~13,050'); MD (~20,970')  AFE Capex and Operating Costs  Drilling Supervision/Month S  S800; see Exhibit A, ¶ 22  Justification for Supervision Costs  Please see AFE at Exhibit A-7  Requested Risk Charge  200%; please see Exhibit A, ¶ 23  Notice of Hearing  Propos of Published Notice of Hearing (10 days before hearing)  Exhibit C; see Exhibit A-8  Proof of Mailed Notice of Hearing (10 days before hearing)  Exhibit C  Ownership Schematic of the Spacing Unit  See Exhibits A-2, A-3, & A-4  Tract Ust (including lease numbers and owners)  See Exhibits A-2 & A-3  Pooled Parties (including ownership type)  Exhibit A-4		
Well #1  404H: FTP (~2541' FSL and 330' FEL of Section 17-T26S-R35E); LTP (~100' FSL and 330' FEL of Section 20-T26S-R35E)  Well #2  434H: FTP (~2541' FSL and 990' FEL of Section 17-T26S-R35E); LTP (~100' FSL and 989' FEL of Section 20-T26S-R35E)  Well #3  514H: FTP (~2541' FSL and 530' FEL of Section 17-T26S-R35E); LTP (~100' FSL and 530' FEL of Section 20-T26S-R35E);		Completion location expected to be standard
Well #1  404H: FTP (~2541' FSL and 330' FEL of Section 17-T26S-R35E); LTP (~100' FSL and 330' FEL of Section 20-T26S-R35E)  Well #2  434H: FTP (~2541' FSL and 990' FEL of Section 17-T26S-R35E); LTP (~100' FSL and 989' FEL of Section 20-T26S-R35E)  Well #3  514H: FTP (~2541' FSL and 530' FEL of Section 17-T26S-R35E); LTP (~100' FSL and 530' FEL of Section 20-T26S-R35E);		
and 330′ FEL of Section 20-T26S-R35E)  Well #2  434H: FTP (~2541′ FSL and 990′ FEL of Section 17-T26S-R35E); LTP (~100′ FSL and 989′ FEL of Section 20-T26S-R35E)  Well #3  514H: FTP (~2541′ FSL and 530′ FEL of Section 17-T26S-R35E); LTP (~100′ FSL and 530′ FEL of Section 20-T26S-R35E)  Completion Target (Formation, TVD and MD)  Well #1  404H: Wolfcamp X/Y; TVD (~12,600′); MD (~20,520′)  Well #2  434H: Wolfcamp A; TVD (~12,760′); MD (~20,680′)  Well #3  514H: Wolfcamp B; TVD (~13,050′); MD (~20,970′)  AFE Capex and Operating Costs  Drilling Supervision/Month \$  \$8000; see Exhibit A, ¶ 22  Production Supervision Month \$  \$800; see Exhibit A, ¶ 22  Justification for Supervision Costs  Please see AFE at Exhibit A, ¶ 23  Notice of Hearing  Proposed Notice of Hearing  Proposed Notice of Hearing (20 days before hearing)  Proof of Published Notice of Hearing (10 days before hearing)  Exhibit C; see Exhibit A-8  Proof of Published Notice of Hearing (10 days before hearing)  Land Ownership Schematic of the Spacing Unit  See Exhibits A-2, A-3, & A-4  Tract List (including lease numbers and owners)  See Exhibits A-2 & A-3  Pooled Parties (including ownership type)  Exhibit A-4	Horizontal Well First and Last Take Points	
and 330′ FEL of Section 20-T26S-R35E)  Well #2  434H: FTP (~2541′ FSL and 990′ FEL of Section 17-T26S-R35E); LTP (~100′ FSL and 989′ FEL of Section 20-T26S-R35E)  Well #3  514H: FTP (~2541′ FSL and 530′ FEL of Section 17-T26S-R35E); LTP (~100′ FSL and 530′ FEL of Section 20-T26S-R35E)  Completion Target (Formation, TVD and MD)  Well #1  404H: Wolfcamp X/Y; TVD (~12,600′); MD (~20,520′)  Well #2  434H: Wolfcamp A; TVD (~12,760′); MD (~20,680′)  Well #3  514H: Wolfcamp B; TVD (~13,050′); MD (~20,970′)  AFE Capex and Operating Costs  Drilling Supervision/Month \$  \$8000; see Exhibit A, ¶ 22  Production Supervision Month \$  \$800; see Exhibit A, ¶ 22  Justification for Supervision Costs  Please see AFE at Exhibit A, ¶ 23  Notice of Hearing  Proposed Notice of Hearing  Proposed Notice of Hearing (20 days before hearing)  Proof of Published Notice of Hearing (10 days before hearing)  Exhibit C; see Exhibit A-8  Proof of Published Notice of Hearing (10 days before hearing)  Land Ownership Schematic of the Spacing Unit  See Exhibits A-2, A-3, & A-4  Tract List (including lease numbers and owners)  See Exhibits A-2 & A-3  Pooled Parties (including ownership type)  Exhibit A-4	MAIL #1	ADALL ETD (= 25.41/ ES) and 220/ EEL of Coction 17 T2CC D2EE), LTD (<100/ ES)
and 989' FEL of Section 20-T26S-R35E)  Well #3  514H: FTP (~2541' FSL and 530' FEL of Section 17-T26S-R35E); LTP (~100' FSL and 530' FEL of Section 20-T26S-R35E)  Completion Target (Formation, TVD and MD)  Well #1  404H: Wolfcamp X/Y; TVD (~12,600'); MD (~20,520')  Well #2  434H: Wolfcamp A; TVD (~12,760'); MD (~20,680')  Well #3  514H: Wolfcamp B; TVD (~13,050'); MD (~20,970')  AFE Capex and Operating Costs  Drilling Supervision/Month \$  \$8000; see Exhibit A, ¶ 22  Production Supervision/Month \$  \$800; see Exhibit A, ¶ 22  Justification for Supervision Costs  Please see AFE at Exhibit A-7  Requested Risk Charge  200%; please see Exhibit A, ¶ 23  Notice of Hearing  Proposed Notice of Hearing (20 days before hearing)  Proposed Notice of Hearing (10 days before hearing)  Exhibit C; see Exhibit A-8  Proof of Published Notice of Hearing (10 days before hearing)  Exhibit C  Ownership Determination  Land Ownership Schematic of the Spacing Unit  \$\$560 Exhibits A-2, A-3, & A-4  Tract List (including lease numbers and owners)  \$\$560 Exhibits A-2 & A-3  Proled Parties (including ownership type)  Exhibit A-4	Weii #1	
and 989' FEL of Section 20-T26S-R35E)  Well #3  514H: FTP (~2541' FSL and 530' FEL of Section 17-T26S-R35E); LTP (~100' FSL and 530' FEL of Section 20-T26S-R35E)  Completion Target (Formation, TVD and MD)  Well #1  404H: Wolfcamp X/Y; TVD (~12,600'); MD (~20,520')  Well #2  434H: Wolfcamp A; TVD (~12,760'); MD (~20,680')  Well #3  514H: Wolfcamp B; TVD (~13,050'); MD (~20,970')  AFE Capex and Operating Costs  Drilling Supervision/Month \$  \$8000; see Exhibit A, ¶ 22  Production Supervision/Month \$  \$800; see Exhibit A, ¶ 22  Justification for Supervision Costs  Please see AFE at Exhibit A-7  Requested Risk Charge  200%; please see Exhibit A, ¶ 23  Notice of Hearing  Proposed Notice of Hearing (20 days before hearing)  Proposed Notice of Hearing (10 days before hearing)  Exhibit C; see Exhibit A-8  Proof of Published Notice of Hearing (10 days before hearing)  Exhibit C  Ownership Determination  Land Ownership Schematic of the Spacing Unit  \$\$560 Exhibits A-2, A-3, & A-4  Tract List (including lease numbers and owners)  \$\$560 Exhibits A-2 & A-3  Proled Parties (including ownership type)  Exhibit A-4		,
Well #3  514H: FTP (-2541′ FSL and 530′ FEL of Section 17-T26S-R35E); LTP (~100′ FSL and 530′ FEL of Section 20-T26S-R35E)  Completion Target (Formation, TVD and MD)  Well # 1  404H: Wolfcamp X/Y; TVD (~12,600′); MD (~20,520′)  Well # 2  434H: Wolfcamp A; TVD (~12,760′); MD (~20,680′)  Well # 3  514H: Wolfcamp B; TVD (~13,050′); MD (~20,970′)  AFE Capex and Operating Costs  Drilling Supervision/Month \$  \$8000; see Exhibit A, ¶ 22  Justification for Supervision Costs  Please see AFE at Exhibit A, ¶ 22  Justification for Supervision Costs  Please see Exhibit A, ¶ 23  Notice of Hearing  Proposed Notice of Hearing (20 days before hearing)  Proof of Mailed Notice of Hearing (10 days before hearing)  Exhibit C  Ownership Determination  Land Ownership Schematic of the Spacing Unit  See Exhibits A-2, A-3, & A-4  Tract List (including lease numbers and owners)  Exhibit A-4	Well#2	
and 530' FEL of Section 20-T26S-R35E)  Completion Target (Formation, TVD and MD)  Well # 1  404H: Wolfcamp X/Y; TVD (~12,600'); MD (~20,520')  Well # 2  434H: Wolfcamp A; TVD (~12,760'); MD (~20,680')  Well # 3  514H: Wolfcamp B; TVD (~13,050'); MD (~20,970')  AFE Capex and Operating Costs  Drilling Supervision/Month \$  58000; see Exhibit A, ¶ 22  Production Supervision/Month \$  Justification for Supervision Costs  Please see AFE at Exhibit A-7  Requested Risk Charge  200%; please see Exhibit A, ¶ 23  Notice of Hearing  Proof of Mailed Notice of Hearing (20 days before hearing)  Proof of Mailed Notice of Hearing (10 days before hearing)  Exhibit C; see Exhibit A-8  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, & A-4  Tract List (including lease numbers and owners)  Exhibit A-4		and 989' FEL of Section 20-T26S-R35E)
and 530' FEL of Section 20-T26S-R35E)  Completion Target (Formation, TVD and MD)  Well # 1  404H: Wolfcamp X/Y; TVD (~12,600'); MD (~20,520')  Well # 2  434H: Wolfcamp A; TVD (~12,760'); MD (~20,680')  Well # 3  514H: Wolfcamp B; TVD (~13,050'); MD (~20,970')  AFE Capex and Operating Costs  Drilling Supervision/Month \$  58000; see Exhibit A, ¶ 22  Production Supervision/Month \$  Justification for Supervision Costs  Please see AFE at Exhibit A-7  Requested Risk Charge  200%; please see Exhibit A, ¶ 23  Notice of Hearing  Proof of Mailed Notice of Hearing (20 days before hearing)  Proof of Mailed Notice of Hearing (10 days before hearing)  Exhibit C; see Exhibit A-8  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, & A-4  Tract List (including lease numbers and owners)  Exhibit A-4	Well #3	514H: FTP (~2541' FSL and 530' FEL of Section 17-T26S-R35E): LTP (~100' FSL
Well # 1  404H: Wolfcamp X/Y; TVD (~12,600'); MD (~20,520')  Well # 2  434H: Wolfcamp A; TVD (~12,760'); MD (~20,680')  Well # 3  514H: Wolfcamp B; TVD (~13,050'); MD (~20,970')  AFE Capex and Operating Costs  Drilling Supervision/Month \$  \$8000; see Exhibit A, ¶ 22  Production Supervision/Month \$  \$8000; see Exhibit A, ¶ 22  Justification for Supervision Costs  Please see AFE at Exhibit A-7  Requested Risk Charge  200%; please see Exhibit A, ¶ 23  Notice of Hearing  Proposed Notice of Hearing (20 days before hearing)  Proof of Mailed Notice of Hearing (20 days before hearing)  Proof of Published Notice of Hearing (10 days before hearing)  Exhibit C; see Exhibit A-8  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, & A-4  Tract List (including lease numbers and owners)  See Exhibits A-2  Exhibit A-4		the state of the s
Well # 1  404H: Wolfcamp X/Y; TVD (~12,600'); MD (~20,520')  Well # 2  434H: Wolfcamp A; TVD (~12,760'); MD (~20,680')  Well # 3  514H: Wolfcamp B; TVD (~13,050'); MD (~20,970')  AFE Capex and Operating Costs  Drilling Supervision/Month \$  \$8000; see Exhibit A, ¶ 22  Production Supervision/Month \$  \$8000; see Exhibit A, ¶ 22  Justification for Supervision Costs  Please see AFE at Exhibit A-7  Requested Risk Charge  200%; please see Exhibit A, ¶ 23  Notice of Hearing  Proposed Notice of Hearing (20 days before hearing)  Proof of Mailed Notice of Hearing (20 days before hearing)  Proof of Published Notice of Hearing (10 days before hearing)  Exhibit C; see Exhibit A-8  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, & A-4  Tract List (including lease numbers and owners)  See Exhibits A-2  Exhibit A-4	Completion Target (Formation, TVD and MD)	
Well # 3 514H: Wolfcamp B; TVD (~13,050'); MD (~20,970')  AFE Capex and Operating Costs  Drilling Supervision/Month \$ \$8000; see Exhibit A, ¶ 22  Production Supervision/Month \$ \$800; see Exhibit A, ¶ 22  Justification for Supervision Costs  Please see AFE at Exhibit A-7  Requested Risk Charge 200%; please see Exhibit A, ¶ 23  Notice of Hearing  Proposed Notice of Hearing (20 days before hearing)  Proof of Mailed Notice of Hearing (20 days before hearing)  Exhibit C: see Exhibit A-8  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, & A-4  Tract List (including lease numbers and owners)  See Exhibits A-2 & A-3  Pooled Parties (including ownership type)  Exhibit A-4	Well#1	404H: Wolfcamp X/Y; TVD (~12,600'); MD (~20,520')
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Drilling Supervision/Month \$ \$8000; see Exhibit A, ¶ 22  Production Supervision/Month \$ \$800; see Exhibit A, ¶ 22  Justification for Supervision Costs Please see AFE at Exhibit A-7  Requested Risk Charge 200%; please see Exhibit A, ¶ 23  Notice of Hearing Submitted with online filing of Application  Proposed Notice of Hearing (20 days before hearing) Exhibit C; see Exhibit A-8  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, & A-4  Tract List (including lease numbers and owners) See Exhibits A-2 & A-3  Pooled Parties (including ownership type) Exhibit A-4	Well#3	514H: Wolfcamp B; TVD (~13,050'); MD (~20,970')
Drilling Supervision/Month \$ \$8000; see Exhibit A, ¶ 22  Production Supervision/Month \$ \$800; see Exhibit A, ¶ 22  Justification for Supervision Costs Please see AFE at Exhibit A-7  Requested Risk Charge 200%; please see Exhibit A, ¶ 23  Notice of Hearing Submitted with online filing of Application  Proposed Notice of Hearing (20 days before hearing) Exhibit C; see Exhibit A-8  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, & A-4  Tract List (including lease numbers and owners) See Exhibits A-2 & A-3  Pooled Parties (including ownership type) Exhibit A-4	AEE Canny and Operating Costs	
Production Supervision/Month \$ \$800; see Exhibit A, ¶ 22  Justification for Supervision Costs Please see AFE at Exhibit A-7  Requested Risk Charge 200%; please see Exhibit A, ¶ 23  Notice of Hearing Submitted with online filing of Application  Proof of Mailed Notice of Hearing (20 days before hearing) Exhibit C; see Exhibit A-8  Proof of Published Notice of Hearing (10 days before hearing) Exhibit C  Ownership Determination Exhibits A-2, A-3, & A-4  Tract List (including lease numbers and owners) See Exhibits A-2 & A-3  Pooled Parties (including ownership type) Exhibit A-4		\$8000: see Exhibit A. ¶ 22
Justification for Supervision Costs  Please see AFE at Exhibit A-7  Requested Risk Charge  200%; please see Exhibit A, ¶ 23  Notice of Hearing  Proposed Notice of Hearing  Submitted with online filing of Application  Exhibit C; see Exhibit A-8  Proof of Published Notice of Hearing (20 days before hearing)  Exhibit C  Dwnership Determination  Land Ownership Schematic of the Spacing Unit  See Exhibits A-2, A-3, & A-4  Tract List (including lease numbers and owners)  See Exhibits A-2 & A-3  Pooled Parties (including ownership type)  Exhibit A-4		
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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-8 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, & A-4 Tract List (including lease numbers and owners) See Exhibits A-2 & A-3 Pooled Parties (including ownership type) Exhibit A-4	·	200%; please see Exhibit A, ¶ 23
Proof of Mailed Notice of Hearing (20 days before hearing)  Exhibit C; see Exhibit A-8  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, & A-4  Tract List (including lease numbers and owners)  See Exhibits A-2 & A-3  Pooled Parties (including ownership type)  Exhibit A-4	Notice of Hearing	
Proof of Mailed Notice of Hearing (20 days before hearing)  Exhibit C; see Exhibit A-8  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, & A-4  Tract List (including lease numbers and owners)  See Exhibits A-2 & A-3  Pooled Parties (including ownership type)  Exhibit A-4	Proposed Notice of Hearing	Submitted with online filing of Application
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Land Ownership Schematic of the Spacing Unit  See Exhibits A-2, A-3, & A-4  Tract List (including lease numbers and owners)  See Exhibits A-2 & A-3  Pooled Parties (including ownership type)  Exhibit A-4		Exhibit C
Tract List (including lease numbers and owners)  See Exhibits A-2 & A-3  Pooled Parties (including ownership type)  Exhibit A-4	Ownership Determination	
Pooled Parties (including ownership type) Exhibit A-4	Land Ownership Schematic of the Spacing Unit	See Exhibits A-2, A-3, & A-4
	Tract List (including lease numbers and owners)	See Exhibits A-2 & A-3
Unlesstable Parties to be Paeled	Pooled Parties (including ownership type)	Exhibit A-4
Uniocatable Parties to be Pooled Inone	Unlocatable Parties to be Pooled	none

Ownership Depth Severance (including percentage above & below)	none
Joinder	
Sample Copy of Proposal Letter	Exhibit A-7
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	n/a
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7
Cost Estimate to Equip Well	See AFE at Exhibit A-7
Cost Estimate for Production Facilities	See AFE at Exhibit A-7
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-6
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-2, A-3, & A-4
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	
Special Provisions/Stipulations	"Applicant, at its election, shall have the right from time to time to demand and receive from Chevron U.S.A. Inc. ("Chevron") payment in advance of its respective share of the estimated amount of expense to be incurred in operations hereunder during the next succeeding month, which right may be exercised only by submission to Chevron of an itemized statement of such expense, together with an invoice for its share thereof. Each such statement and invoice for the payment in advance of estimated expense shall be submitted on or before the 20th day of the next preceding month. Chevron shall pay to Operator its proportionate share of such estimate within thirty (30) days after such estimate and invoice is received. Proper adjustment shall be made monthly between advances and actual expense to the end that Chevron shall bear and pay its proportionate share of actual expenses incurred, and no more."
CERTIFICATION: I hereby certify that the information provide	
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
Signed Name (Attorney or Party Representative):	Tharm of Shakeen
Date:	7/10/2020



**SHARON T. SHAHEEN** 

Direct: (505) 986-2678

Email: <u>sshaheen@montand.com</u>

www.montand.com

April 15, 2021

Via U.S. Certified Mail, return receipt requested

#### TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 21867 - Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21371, Lea County, New Mexico – Cattlemen Fed Com 322H (Original Case No. 21208)

Case No. **21868** – Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21372, Lea County, New Mexico – **Cattlemen Fed Com 432H and 512H** (Original Case No. 21209)

#### Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Titus Oil & Gas Production, LLC ("Titus") has filed two (2) Applications with the New Mexico Oil Conservation Division for orders regarding 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. 21867. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21371, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21208 for the limited purpose of amending Order No. R-21371 to extend by one year, through July 6, 2022, the time to commence drilling the Cattlemen Fed Com 322H well (API #30-025-48124), proposed to be drilled into the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying the E/2 SW/4 of Section 17 and the E/2 W/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico.

Case No. 21868. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21372, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21209 for the limited purpose of amending

EXHIBIT 3
Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21867-21871
May 6, 2021

All Interest Owners April 15, 2021 Page 2

Order No. R-21372 to extend by one year, through July 6, 2022, the time to commence drilling (1) the **Cattlemen Fed Com 432H** well (API # 30-025-48128) and (2) the **Cattlemen Fed Com 512H** well (API # 30-025-48130), proposed to be drilled into the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying the E/2 SW/4 of Section 17 and the E/2 W/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, 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 **May 6, 2021** beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <a href="http://www.emnrd.state.nm.us/OCD/hearings.html">http://www.emnrd.state.nm.us/OCD/hearings.html</a>. 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 evidence at the hearing, you must enter your appearance by **April 28, 2021**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **April 29, 2021**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about these Applications.

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 Parties:**

Sharbro Energy, LLC P.O. Box 840 Artesia, NM 882211-1091

# **Additional Interested Party:**

Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157 State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501

**SHARON T. SHAHEEN** 

Direct: (505) 986-2678

Email: <u>sshaheen@montand.com</u>

www.montand.com

April 15, 2021

Via U.S. Certified Mail, return receipt requested

#### TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 21869. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21376, Lea County, New Mexico – Cattlemen Fed Com 323H (Original Case No. 21210)

Case No. 21870 – Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21377, Lea County, New Mexico – Cattlemen Fed Com 403H and 513H (Original Case No. 21211)

Case No. 21871 – Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21378, Lea County, New Mexico – Cattlemen Fed Com 404H, 434H and 514H (Original Case No. 21212)

#### Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Titus Oil & Gas Production, LLC ("Titus") has filed three (3) Applications with the New Mexico Oil Conservation Division for orders regarding 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. 21869. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21376, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21210 for the limited purpose of amending Order No. R-21376 to extend by one year, through July 22, 2022, the time to commence drilling the Cattlemen Fed Com 323H well (API #30-025-48125), proposed to be drilled into the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico.

**EXHIBIT 4** 

Titus Oil & Gas Production, LLC NMOCD Case Nos. 21867-21871 May 6, 2021 All Interest Owners April 15, 2021 Page 2

Case No. 21870. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21377, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21211 for the limited purpose of amending Order No. R-21377 to extend by one year, through July 22, 2022, the time to commence drilling (1) the Cattlemen Fed Com 403H well (API # 30-025-48126) and (2) the Cattlemen Fed Com 513H well (API # 30-025-48131), proposed to be drilled into the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico.

Case No. 21871. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21378, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21212 for the limited purpose of amending Order No. R-21378 to extend by one year, through July 22, 2022, the time to commence drilling (1) the Cattlemen Fed Com 404H well (API # 30-025-48127), (2) the Cattlemen Fed Com 434H well (API # 30-025-48129), and (3) the Cattlemen Fed Com 514H well (API # 30-025-48132), proposed to be drilled into the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying the E/2 SE/4 of Section 17 and the E/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, 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 **May 6, 2021** beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <a href="http://www.emnrd.state.nm.us/OCD/hearings.html">http://www.emnrd.state.nm.us/OCD/hearings.html</a>. 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 evidence at the hearing, you must enter your appearance by **April 28, 2021**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **April 29, 2021**, in accordance with Division Rule 19.15.4.13 NMAC.

All Interest Owners April 15, 2021 Page 3

Please feel free to contact me if you have any questions about these Applications.

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 Parties:**

Allar Company P. O. Box 1567 Graham, TX 76450 Chevron U.S.A., Inc. 1400 Smith Street Houston, TX 77002 Chief Capital (O&G) II LLC 8111 Westchester, Suite 900 Dallas, TX 75225

## **Additional Interested Party:**

Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157 State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501

Tab 2

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

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21371, LEA COUNTY, NEW MEXICO

Case No. 21867 Order No. R-21371 (Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21372, LEA COUNTY, NEW MEXICO

Case No. 21868 Order No. R-21372 (Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21376, LEA COUNTY, NEW MEXICO

Case No. 21869 Order No. R-21376 (Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21377, LEA COUNTY, NEW MEXICO

Case No. 21870 Order No. R-21377 (Re-Open)

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC TO AMEND ORDER NO. R-21378, LEA COUNTY, NEW MEXICO

Case No. 21871 Order No. R-21378 (Re-Open)

#### 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 matters, upon oath and state the following:
- 2. I caused notice of the applications to be sent by certified mail through the United States Postal Service on April 15, 2021, to all uncommitted interest owners sought to be pooled in these proceedings. Evidence of mailing to all parties and proof of receipt to all of the parties is

EXHIBIT B
Titus Oil & Gas Production, LLC
NMOCD Case Nos. 21867-21871
May 6, 2021

attached hereto as Exhibit A. Exhibit A demonstrates to my satisfaction that all parties entitled to notice were personally served by certified mailing. Nonetheless, in an abundance of caution, notice also was directed to the uncommitted interest owners in all of the above-referenced cases by publication in the Hobbs News-Sun on April 21, 2021, as reflected in the Affidavits of Publication attached hereto as Exhibit B.

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 Applications filed herein.

Sharon of Shakeen

SHARON T. SHAHEEN

SUBSCRIBED AND SWORN to before me this 3rd day of May, 2021.

OTAPY S
AUPLIC S

Notary Public

My Commission Expires:

04/30/2022





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LAW FIRM

P.O. Box 2307 Santa Fe, New Mexico 87504-2307

Titus/Cattlemen Re-Open R-21371-R-21372 (21867-21868) 15412-2006/STS



### 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:

Sharbro Energy, LLC

P.O. Box 840

Artesia, NM 882211-1091

9590 9402 1258 5246 3553 41

2. Article Number (Transfer from service label)

7015 1730 0000 9774 3585

## COMPLETE THIS SECTION ON DELIVERY

□ Agent ☐ Addressee

C. Date of Delivery 1-15-21

D. Is delivery address different from item 1? If YES, enter delivery address below:

☐ Yes

#### 3. Service Type

- ☐ Adult Signature
- Adult Signature Restricted Delivery
  Certified Mall®

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

Domestic Return Receipt

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**USPS TRACKING#** 



9402 1258 5246 3409 27



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Titus/Cattlemen Re-Open R-21371-R-21372 (21867-21868) 15412-2006/STS



## SENDER: COMPLETE THIS SECTION

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- 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 414 W. Taylor Hobbs, NM 88240-1157



9590 9402 1258 5246 3409 27

2. Article Number (Transfer from service label)

7015 1730 0000 9774 3592

all Restricted Delivery

#### COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below:

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

PS Form 3811, July 2015 PSN 7530-02-000-9053 Released to Imaging: 5/4/2021 2:48:11 PM

Domestic Return Receipt

**USPS TRACKING#** 





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9590 9402 1258 5246 3409 34

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P.O. Box 2307 Santa Fe, New Mexico 87504-2307

Titus/Cattlemen Re-Open R-21371-R-21372 (21867-21868) 15412-2006/STS



#### SENDER: COMPLETE THIS SECTION A. Signature ■ 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



2. Article Number (Transfer from service label)

9590 9402 1258 5246 3409 34

7015 1730 0000 9774 3608

## COMPLETE THIS SECTION ON DELIVERY

☐ Agent ☐ Addressee

Received by (Printed Name)

D. Is delivery address different from item 1? If YES, enter delivery address below:

Service Type

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

Domestic Return Receipt

USPS TRACKING#





and arint vous name address and ZID+10 in this have

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

**9590 9402 1258 5246 3553 58** 

United States
Postal Service



P.O. Box 2307 Santa Fe, New Mexico 87504-2307

Titus/Cattlemen Re-Open R-21376-R-21377--R-21378 (21869-21871) 15412-2006/STS



#### COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION A. Signature ■ Complete items 1, 2, and 3. □ Agent Print your name and address on the reverse ☐ Addressee so that we can return the card to you. C. Date of Delivery Attach this card to the back of the mailpiece, or on the front if space permits. Is delivery address different from item 1? 1. Article Addressed to: If YES, enter delivery address below: Allar Company P. O. Box 1567 Graham, TX 76450 ☐ Priority Mall Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ■ Return Receipt for Merchandise ☐ Signature Confirmation™ ☐ Signature Confirmation 3. Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery Certified Mail® ☐ Certifled Mall Restricted Delivery 9590 9402 1258 5246 3553 58 ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery 2. Article Number (Transfer from service label) Signature Confirmation Restricted Delivery 7015 1730 0000 9774 3615 all Restricted Delivery



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



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Titus/Cattlemen Re-Open R-21376-R-21377--R-21378 (21869-21871) 15412-2006/STS



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  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:  Chief Capital (O&G) II LLC 8111 Westchester, Suite 900	A. Signature  X
Dallas, TX 75225	3. Service Type
2. Article Number	4. Restricted Delivery? (Extra Fee) ☐ Yes
(Transfer from service label) 7015 1731	0 0000 9774 3639
PS Form 3811, February 2004 Domestic Return 5/4/2021 2:48:11 PM	urn Receipt 102595-02-M-1540



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MONTGOMERY & ANDREWS LAW FIRM

P.O. Box 2307 Santa Fe, New Mexico 87504-2307

Titus/Cattlemen Re-Open R-21376-R-21377--R-21378 (21869-21871) 15412-2006/STS



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature  A. Signature  Agent  Addressee  B. Received by (Printed Name)  C. Date of Delivery  4-2(-2)
1. Article Addressed to:  Chevron U.S.A., Inc. 1400 Smith Street Houston, TX 77002	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
	3. Service Type  Certified Mail Registered Insured Mail C.O.D.
,	☐ Yes

Released to Imaging: 5/4/2021 2:48:11 PM

102595-02-M-1540



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

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



MONTGOMERY & ANDREWS LAW FIRM

P.O. Box 2307 Santa Fe, New Mexico 87504-2307

Titus/Cattlemen Re-Open R-21376-R-21377--R-21378 (21869-21871) 15412-2006/STS



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
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Santa Fe, NM 87501	3. Service Type  Certified Mail Registered Insured Mail C.O.D.  Restricted Delivery? (Extra Fee)  Yes
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## Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated April 21, 2021 and ending with the issue dated April 21, 2021.

Publisher

Sworn and subscribed to before me this 21st day of April 2021

**Business Manager** 

My commission expires

January 29, 2023



OFFICIAL SEAL GUSSIE BLACK Notary Public State of New Mexico My Commission Expires (-29.2

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

#### LEGAL NOTICE April 21, 2021

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

Sharbro Energy, LLC; Bureau of Land Management; and State Land Office.

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

Case No. 21867. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21371, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21208 for the limited purpose of amending Order No. R-21371 to extend by one year, through July 6, 2022, the time to commence drilling the Cattlemen Fed Com 322H well (API #30-025-48124), proposed to be drilled into the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying the E/2 SW/4 of Section 17 and the E/2 W/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico.

Case No. 21868. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21372, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21209 for the limited purpose of amending Order No. R-21372 to extend by one year, through July 6, 2022, the time to commence drilling (1) the Cattlemen Fed Com 432H well (API # 30-025-48128) and (2) the Cattlemen Fed Com 512H well (API # 30-025-48130), proposed to be drilled into the Wolfcamp [98234]) underlying the E/2 SW/4 of Section 17 and the E/2 W/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, 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 May 6, 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. To participate in the electronic hearing, see the instructions posted on the docket for the h e a r i n q d a t e : see the instructions posted on the docket for the h e a r i n g d a t e 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 April 28, 2021, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by April 29, 2021, in accordance with Division Rule 19.15.4.13 NMAC. For further information, contact the applicant's attorney, Sharon T. Shaheen, Montgomery & attorney, Sharon T. Shaheen, Montgomery & Andrews, P.A., 325 Paseo de Peralta, Santa Fe, #36430

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SHARON T. SHAHEEN MONTGOMERY & ANDREWS, P.A. P.O. BOX OFFICE BOX 2307 A/C 451986 SANTA FE,, NM 87504-2307

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Publisher

Sworn and subscribed to before me this 21st day of April 2021.

Business Manager

My commission expires

Seat OFFICIAL SEAL

GUSSIE BLACK

Notary Public

State of New Mexico

My Commission Expires -39-2

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#### LEGAL NOTICE April 21, 2021

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

Allar Company; Chevron U.S.A., Inc.; Chief Capital (O&G) II, LLC; Bureau of Land Management; and State Land Office.

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

Case No. 21869. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21376, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21210 for the limited purpose of amending Order No. R-21376 to extend by one year, through July 22, 2022, the time to commence drilling the Cattlemen Fed Com 323H well (API #30-025-48125), proposed to be drilled into the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico.

Case No. 21870. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21377, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21211 for the limited purpose of amending Order No. R-21377 to extend by one year, through July 22, 2022, the time to commence drilling (1) the Cattlemen Fed Com 403H well (API # 30-025-48126) and (2) the Cattlemen Fed Com 513H well (API # 30-025-48131), proposed to be drilled into the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico.

Case No. 21871. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21378, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21212 for the limited purpose of amending Order No. R-21378 to extend by one year, through July 22, 2022, the time to commence drilling (1) the Cattlemen Fed Com 404H well (API # 30-025-48129), and (3) the Cattlemen Fed Com 434H well (API # 30-025-48129), and (3) the Cattlemen Fed Com 514H well (API # 30-025-48132), proposed to be drilled into the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying the E/2 SE/4 of Section 17 and the E/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, 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 May 6, 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. 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 April 28, 2021, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by April 29, 2021, 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 87501, (505) 986-2678.

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