

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LCC
TO AMEND ORDER NO. R-21443,
LEA COUNTY, NEW MEXICO**

**Case No. _____
Order No. R-21443
(Re-Open)**

APPLICATION

Titus Oil & Gas Production, LLC, OGRID No. 373986 (“Titus”), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and Ricardo S. Gonzales), hereby files this application with the Oil Conservation Division to amend Order No. R-21443 entered in Case No. 21252 to extend the time for drilling the **El Campeon Fed Com 322H** (API No. 30-025-48136) (“El Campeon 322H Well”) approved in Order No. R-21443.¹ In support of its application, Titus states as follows:

1. Order No. R-21443 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 W/2 of Section 29, Township 26 South, Range 35 East, and the E/2 NW/4 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the El Campeon 322H Well. Section 32 is an irregular section in which the south line of the E/2 NW/4 is the New Mexico-Texas border.
2. Titus is a working interest owner in the HSU and has the right to drill thereon.

¹ Order No. R-21443 entered in Case No. 21252 is one of two orders entered on September 3, 2020, relating to Titus’s “El Campeon” well group. By separate application, Titus is seeking to amend Order No. 21444 entered in Case No. 21253.

3. Order No. R-21443 designated Titus as the operator of the El Campeon 322H Well and the HSU.

4. Titus requests the Division re-open the matter to extend the time to commence drilling the Campeon 322H Well to be no later than September 3, 2022, which will be a one-year extension from the time to commence drilling granted in Order No. R-21443.

5. The Division Hearing in the original proceeding, Case No. 21252, was held on August 20, 2020, in conjunction with one other Titus case, Case No. 21253.

6. The Division entered Order No. R-21443 in Case No. 21252 on September 3, 2020.

7. Order No. R-21443, ¶ 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-21443, ¶ 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-21443, Titus would be required to commence drilling the wells by September 3, 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 July 1, 2021, and that, after notice and hearing as required by law, the Division enter an order amending Order No. R-21443 to extend the time to commence drilling the El Campeon 322H Well to be no later than September 3, 2022.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

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