

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

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO

Case No. 21872



El Campeon Fed Com 404H

June 17, 2021

Table of Contents

| | Tab |
|--|------------|
| Application..... | 1 |
| Affidavit of Landman Walter Jones – Exhibit A | 2 |
| Exhibit A-1: General Location Map | |
| Exhibit A-2: Map of Tracts and Ownership | |
| Exhibit A-3: Ownership Breakdown of Working Interests | |
| Exhibit A-4: Chronology of Contacts | |
| Exhibit A-5: C-102 | |
| Exhibit A-6: Notice Letter | |
| Exhibit A-7: Exhibits Submitted to Railroad Commission of Texas | |
| Exhibit A-8: Transcript of Hearing before the Railroad Commission of Texas | |
| Affidavit of Geologist Allen Frierson – Exhibit B | 3 |
| Exhibit B-1: Geological Summary | |
| Exhibit B-2: Locator Map with Cross-Section Indicated | |
| Exhibit B-3: Spacing Unit Schematic | |
| Exhibit B-4: Structure Map | |
| Exhibit B-5: Isopach Map | |
| Exhibit B-6: Stratigraphic Cross-Section | |
| Exhibit B-7: Gunbarrel Diagram | |
| Affidavit of Engineer Marshall Hickey – Exhibit C | 4 |
| Affidavit of Notice – Exhibit D | 5 |

TAB 1

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO**

Case No. 21872

APPLICATION

Titus Oil & Gas Production, LLC (“Titus”), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, §70-2-17, for an order approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]). In support of its application, Titus states as follows:

1. Titus is the sole working interest owner in the New Mexico portion of the HSU and has the right to drill thereon.
2. Occidental Petroleum (“OXY”) is the sole working interest owner in the Texas portion of the HSU and has the right to drill thereon. OXY supports Titus’s plan to drill the subject well described below.

3. Titus proposes to dedicate this spacing unit to the **El Campeon Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 558' FSL and 590' FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10' FSL and 1912' FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas.

4. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

5. Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas.

6. The Railroad Commission of Texas will conduct a hearing on April 13, 2021 regarding approval of the production allocation on behalf of Texas.

7. The proposed production allocation between New Mexico and Texas will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to permit Titus and other New Mexico mineral interest owners to obtain their just and fair share of the oil and gas underlying the subject lands, production should be allocated between New Mexico and Texas as proposed.

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 approving the production allocation between New Mexico and Texas for minerals produced from the Wolfcamp formation underlying the HSU.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

John F. McIntyre

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 986-2678

sshaheen@montand.com

jmcintyre@montand.com

Attorneys for Titus Oil & Gas Production, LLC

TAB 2

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO**

Case No. 21872

AFFIDAVIT OF LANDMAN WALTER JONES

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

1. I am a landman employed as Vice President of Land with Titus Oil & Gas Production, LLC (“Titus”), and I am familiar with the subject application and the lands involved.

2. This affidavit and the attached exhibits are submitted in connection with the filing of the above-referenced application, pursuant to 19.15.4 NMAC and the public health emergency protocols implemented by the Division for virtual hearings.

3. 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.

4. The purpose of this application is to obtain Division approval of the production allocation between the State of New Mexico and the State of Texas for the El Campeon Fed Com

Exhibit A

Titus Oil & Gas Production LLC

NMOCD NO. 21872

JUNE 17, 2021

404H well (“El Campeon 404H”), a horizontal well that Titus proposes to drill across the state line between New Mexico and Texas and from which production will occur in both states.

5. The proposed El Campeon 404H will produce oil from the Wolfcamp formation underlying a standard 280-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico (WC-025 G-09 S263619C; Wolfcamp [98234]), and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas (Phantom; Wolfcamp [Texas Field No. 71052900]).

6. Titus is the sole working interest owner in the New Mexico portion of the HSU and has the right to drill thereon.

7. Occidental Petroleum (“OXY”) is the sole working interest owner in the Texas portion of the HSU and has the right to drill thereon. OXY is not opposed to Titus’s plan to drill the El Campeon 404H, and the parties are currently finalizing a joint operating agreement (“JOA”).

8. The surface hole location is approximately 558’ FSL and 590’ FEL of Section 20, T26S-R35E, Lea County, New Mexico. The completed lateral crosses the state line at approximately 0’ FSL and 330’ FEL of Section 32, T26S-R35E. The bottom hole location is approximately 10’ FSL and 1912’ FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas.

9. The first take point will be located at approximately 100’ FNL and 330’ FEL of Section 29, T26S-R35E, Lea County, New Mexico. The last take point will be approximately 100’ FSL and 1883’ FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas.

10. The proposed HSU is a standard spacing unit for an oil well, as defined in 19.15.16.15(B)(a) NMAC. The proposed HSU consists of contiguous tracts, each of which is a governmental quarter-quarter section or equivalent and each of which will be penetrated by the completed interval. *See id.*

11. The completed interval complies with the state-wide setback requirements for oil wells set forth in 19.15.16.15(C)(1)(a) NMAC.

12. The proposed first and last take points satisfy the state-wide setback requirements for oil wells set forth in 19.15.16.15(C)(1)(b) NMAC.

13. Nonetheless, because the last take point is located on the Texas side of the state line, in an abundance of caution, Titus filed an administrative application for approval of a non-standard location (“NSL”) on April 16, 2021 (“NSL Application”). The only “affected person” for purposes of the NSL is OXY. *See* 19.15.16.15(C)(6) NMAC; 19.15.15.13(C) NMAC; 19.15.2.7(A)(8) NMAC. Additionally, Titus provided notice of the NSL Application to OXY’s lessors. To date, no affected person has objected.

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

15. A map illustrating the tracts in the proposed HSU and the ownership of each individual tract can be found in **Exhibit A-2**. Tract 1 consists of a federal lease in New Mexico. Tract 2 consists of a state lease in New Mexico. Tract 3 consists of fee leases held by OXY as the lessee.

16. The ownership breakdown of working interests in the proposed HSU can be found at **Exhibit A-3**.

17. A chronology of contacts with noticed parties is attached as **Exhibit A-4**.

18. The location of the proposed well within the HSU is depicted in the draft C-102 Form attached as **Exhibit A-5**. The draft C-102 Form also indicates the location of the surface hole, the bottom hole, and the first and last take points.

19. In light of communications with the Division, Titus sent notice of the application to all parties who would have been entitled to notice if the proration unit were non-standard. *See* 19.15.16.15(B)(5)(b)(2) NMAC. Titus also sent notice to its lessees, the Bureau of Land Management and the New Mexico State Land Office. In addition, Titus sent notice to the Railroad Commission of Texas (“RRC”) and the Texas Comptroller of Public Accounts. **Exhibit A-6** includes a copy of the notice letter that was sent with the application to all such parties.

20. Titus has sought approval of the proposed well, including approval of production allocation, from the RRC. A hearing before the RRC was held on April 13, 2021 (“RRC Hearing”), in RRC Docket No. OG-21-00006089. A copy of the exhibits submitted at the RRC Hearing is attached hereto as **Exhibit A-7**. The transcript of the RRC Hearing is attached hereto as **Exhibit A-8**. The RRC hearing examiners are holding the record open for 90 days, while Titus and OXY finalize the JOA. Once the JOA is in place, the RRC hearing examiners will submit a report to the RRC, who will then take the matter under consideration.

21. On March 23, 2021, notice of the RRC Hearing was mailed to the Division, the New Mexico Energy, Minerals and Natural Resources Department, the New Mexico Taxation & Revenue Department, the Bureau of Land Management (Santa Fe and Hobbs offices), and the New Mexico State Land Office, among others. *See* **Exhibit A-8** at pdf page 5. OXY also attended the RRC Hearing.

22. RRC Hearing Exhibit No. 2 illustrates Titus’s development plan for Section 29 and irregular Section 32, T26S-35E, in Lea County, New Mexico and irregular Section 25, Block C24,

in Loving County, Texas (“Section 25”). *See id.* at pdf page 6. Irregular Section 32 in New Mexico consists of roughly a half-section. Section 25 in Texas is an irregular section of approximately 636 acres in the shape of a trapezoid, the eastern boundary of which is approximately 982’ long. *Id.* at pdf 16. That portion of Section 25 that will be developed by the El Campeon Fed Com 404H consists of approximately 49 acres and extends from the state line to the southern boundary of Section 25. *See id.*; *see also id.* at pdf page 15. In the future, Titus will propose additional wells in the same or other formations with similar well paths as those indicated on RRC Hearing Exhibit No. 2.

23. Titus proposes to allocate production between New Mexico and Texas based on proration unit surface acres. Although Texas ordinarily allocates production based on completed lateral length, in this instance, the allocation based on surface acres and the allocation based on completed lateral length is nearly the same. *See id.* at pdf page 19 (RRC Exhibit No. 8).

24. Titus anticipates that a New Mexico API# will be assigned for reporting purposes related to production allocated to New Mexico and that a Texas API # will be assigned for reporting purposes related to production allocated to Texas. All production, royalties, taxes, etc. will be allocated to the well’s proration unit acreage in each state and reported to each state’s API#. Titus further anticipates that the States will confer after permits are approved by each State to determine how authority over regulatory and environmental compliance will be allocated between the States.

25. Titus has already received a federal permit for drilling the proposed well as a 1.5-mile well fully in New Mexico. Titus has conferred with the Bureau of Land Management about drilling the proposed well as a 2-mile well across the state line and, as a result, understands that a sundry notice can be filed to extend the well across the state line as outlined herein.

26. Titus has also conferred with the New Mexico State Land Office, who received notice of this application. As of this date, the State Land Office has not entered an appearance in this proceeding.

27. Similar horizontal wells cross the state boundary between West Virginia and Pennsylvania, recovering hydrocarbons underlying both states. Inquiry with operators of such wells revealed that the wells were permitted in Pennsylvania (surface location) and subsequently approved by West Virginia as permitted in Pennsylvania. Upon information and belief, the states did not enter into a memorandum of understanding or other agreement between the states.

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

29. The granting of the Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

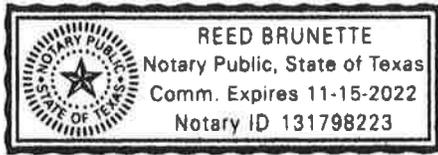
30. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

Walter P. Jones
Walter P. Jones

STATE OF TEXAS)
)ss
COUNTY OF TARRANT)

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



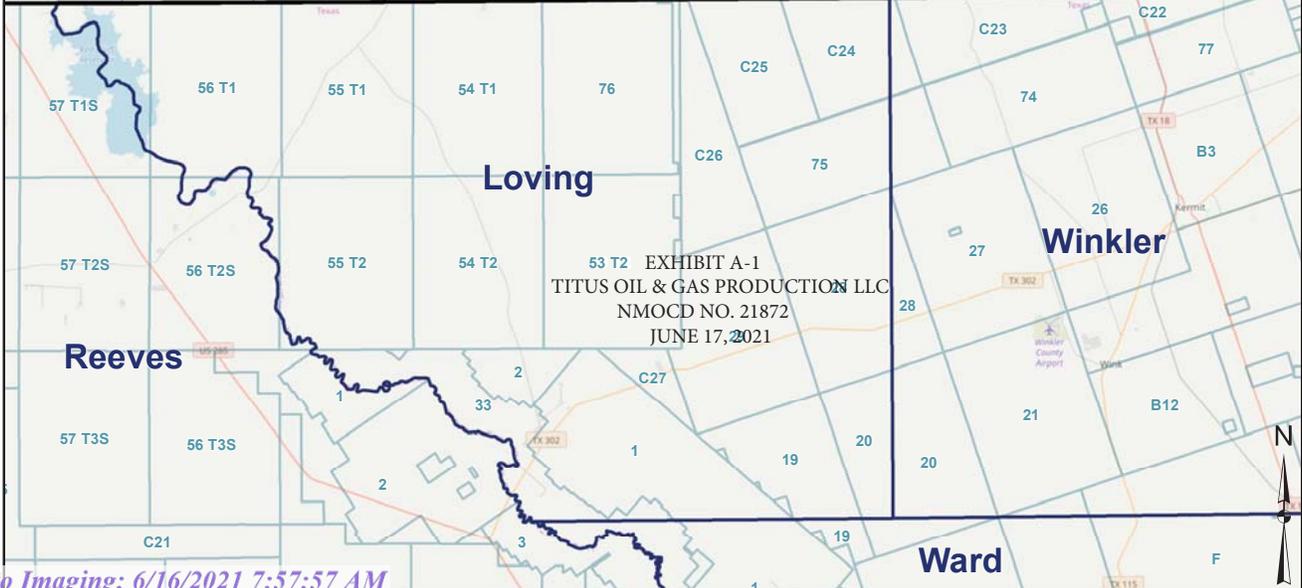
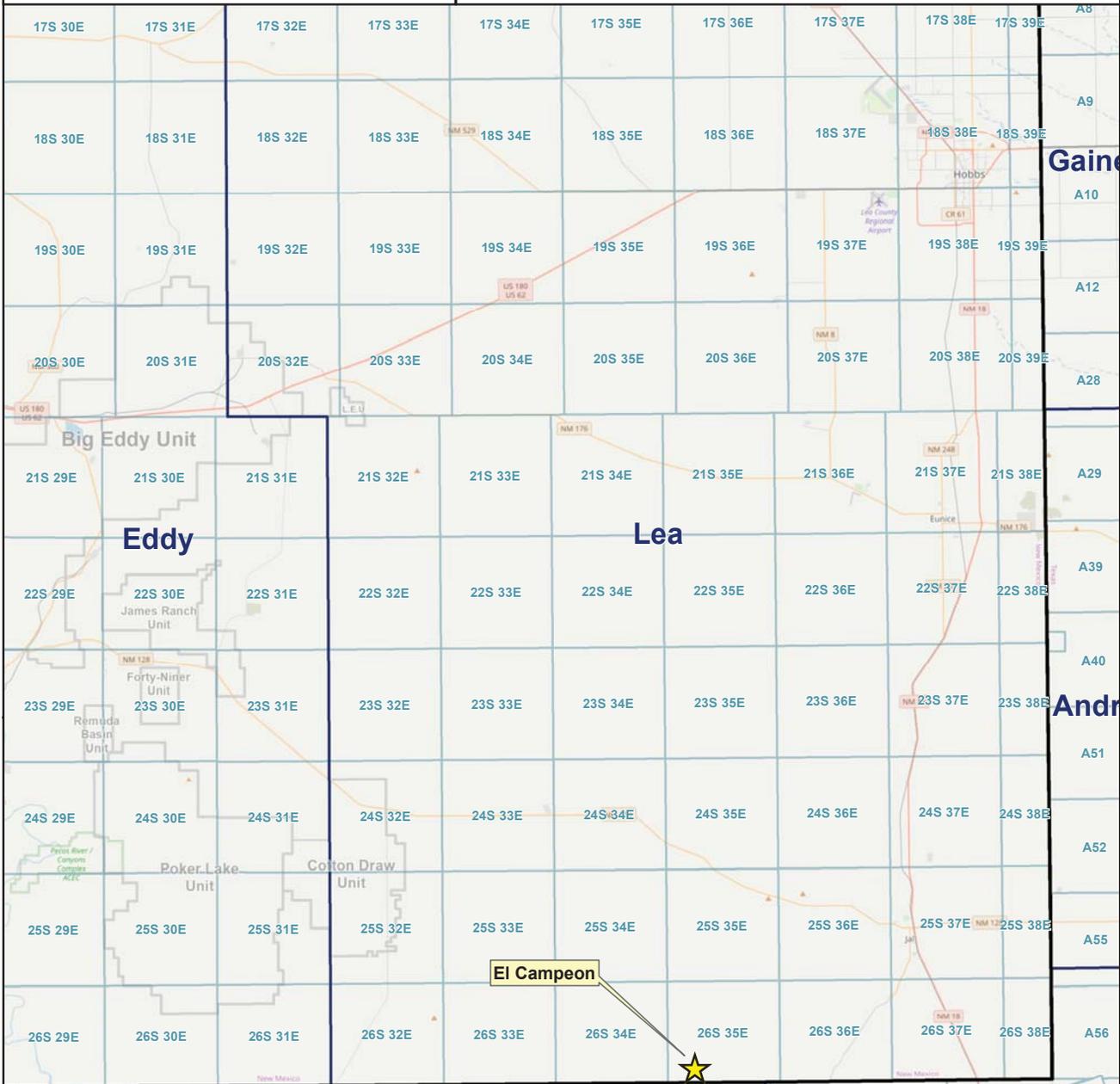
Reed Brunette
Notary Public

My Commission expires 11-15-2022.



El Campeon - Delaware Basin

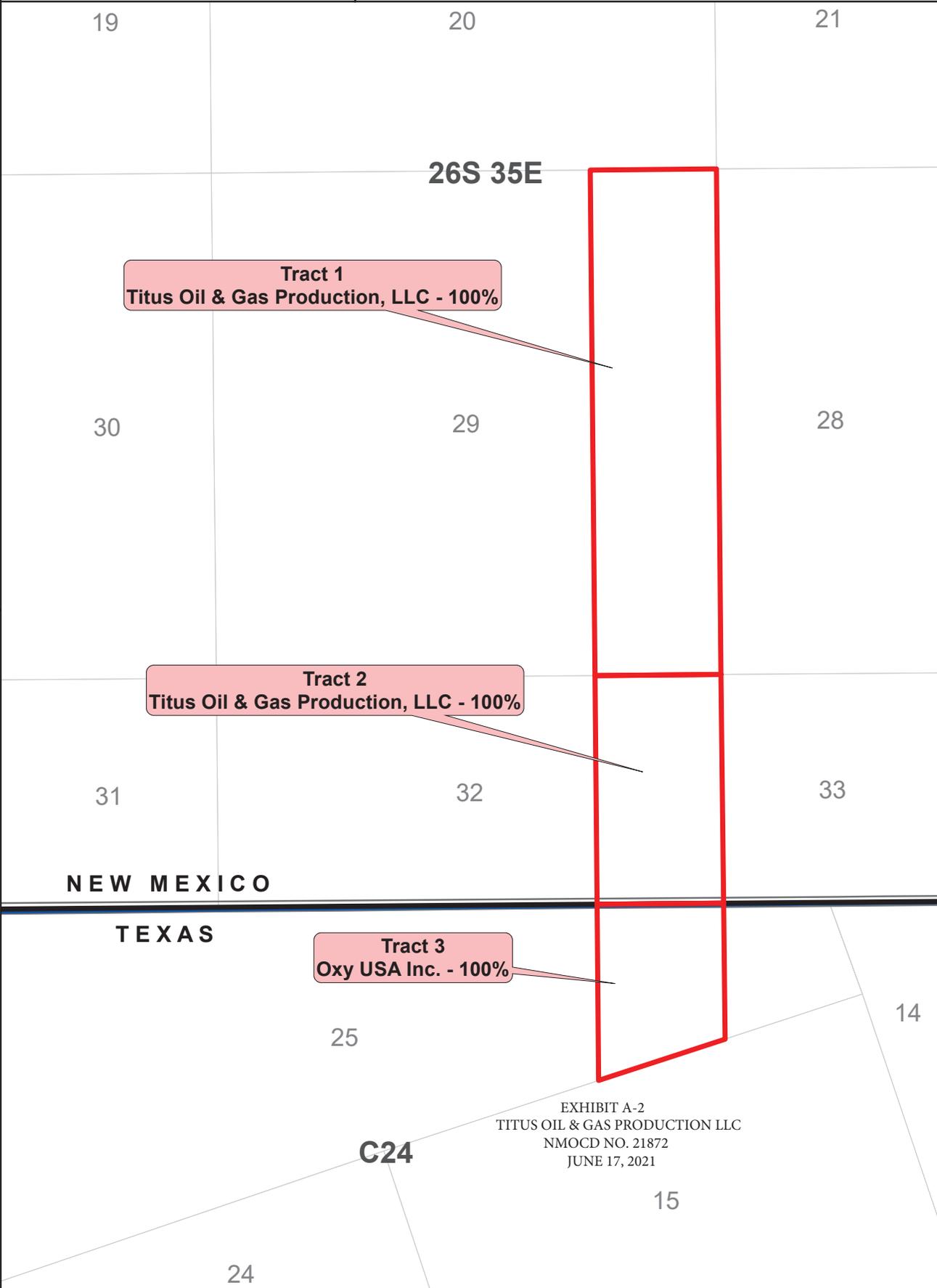
Lea County, New Mexico; T-26-S, R-35-E





El Campeon Fed Com 21872

Lea County, New Mexico; 26S 35E
Loving County, Texas; Block C24



Tract 1
Titus Oil & Gas Production, LLC - 100%

Tract 2
Titus Oil & Gas Production, LLC - 100%

Tract 3
Oxy USA Inc. - 100%

NEW MEXICO

TEXAS

EXHIBIT A-2
TITUS OIL & GAS PRODUCTION LLC
NMOCD NO. 21872
JUNE 17, 2021

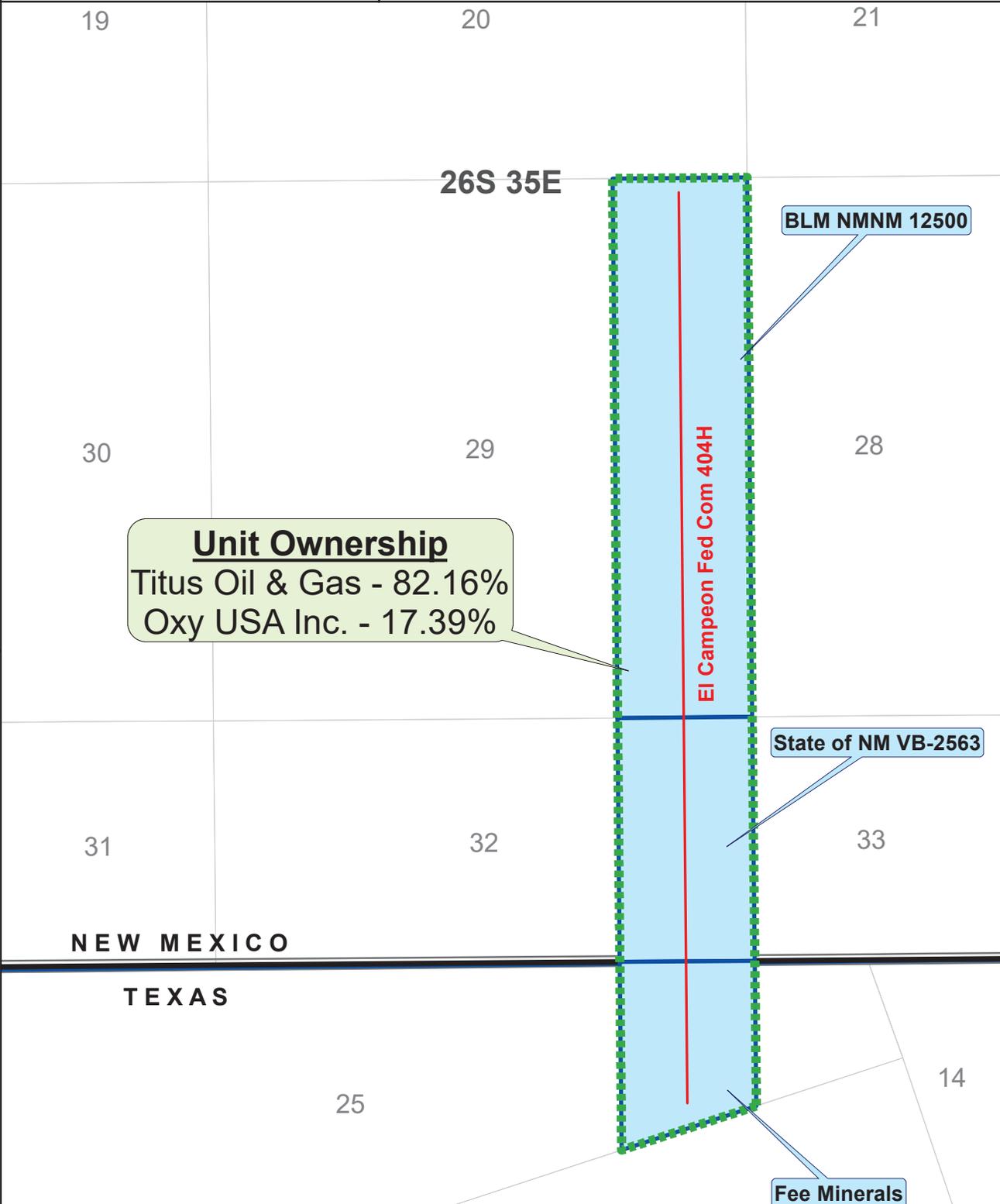
 Tracts - El Campeon - 21872





El Campeon Fed Com - Unit Ownership 21872

Lea County, New Mexico; 26S 35E
Loving County, Texas; Block C24



Unit Ownership
 Titus Oil & Gas - 82.16%
 Oxy USA Inc. - 17.39%

— Planned Wellbore

▭ Tracts

▭ Unit

EXHIBIT A-3
 TITUS OIL & GAS PRODUCTION LLC
 NMOCD NO. 21872
 JUNE 17, 2021



CONTRACT AREA:

280 acres, more or less, being Section 29: E/2 E/2 and Section 32: NE/4 NE/4, Lot 1 of Township 26 South, Range 35 East, Lea County, New Mexico and Section 25: Lot 1, Block C-24, Loving County, Texas

DEPTH RESTRICTIONS

All Depths

INTEREST OF THE PARTIES:

| Interest Owners | Working Interest |
|--|-------------------------|
| Titus Oil & Gas Production, LLC 420 Throckmorton Street, Suite 1150 Fort Worth, TX 76102 | 82.60501% |
| Oxy USA Inc. 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0521 | 17.39499% |
| Total: | 100.00% |

OIL AND GAS LEASES:

Lessor: Santa Fe Energy Resources, Inc.
Lessee: BLM NMNM 125400
Lease Date: December 1, 1996
Legal Description: E/2 E/2 of Section 29, T26S-35E, Lea County, New Mexico

Lessor: Reagan Smith Energy Solutions, Inc.
Lessee: State of NM VB-2563
Lease Date: August 1, 2015
Legal Description: NE/4 NE/4 and Lot 1 of Section 32, T26S-35E, Lea County, New Mexico

Lessor: Virginia Howell, a widow, the sole heir of Grover M. Howell, Jr.
Lessee: Wayne Newkumet
Lease Date: September 23, 2003
Recording: Volume 34; Page 108
Legal Description: Lot 1 of Section 25, Block C-24, Loving County, Texas

Lessor: Kathleen Howell Cone
Lessee: Wayne Newkumet
Lease Date: September 25, 2003
Recording: Volume 34; Page 200
Legal Description: Lot 1 Section 25, Block C-24, Loving County, Texas

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|-----------------|--|---|--|-------------|-----------------------|
| 1 API Number | | 2 Pool Code | | 3 Pool Name | |
| 4 Property Code | | 5 Property Name EL CAMPEON FED COM | | | 6 Well Number 404H |
| 7 OGRID No. | | 8 Operator Name TITUS OIL & GAS PRODUCTION LLC | | | 9 Elevation 3172' |

10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 20 | 26-S | 35-E | | 558' | SOUTH | 590' | EAST | LEA |

11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Block (TX) | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County (TX) |
|---------------|---------|------------|-------|---------|---------------|------------------|---------------|----------------|-------------|
| 1 | 25 | C24 | | | 10' | SOUTH | 1912' | EAST | LOVING |

| | | | |
|------------------------------|-------------------------|-----------------------|--------------|
| 12 Dedicated Acres 282.84 | 13 Joint or Infill Y | 14 Consolidation Code | 15 Order No. |
|------------------------------|-------------------------|-----------------------|--------------|

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

16 SURFACE HOLE LOCATION (SHL)
NEW MEXICO EAST - NAD 83
X=835919.34 LAT.= 32.02304186° N
Y=373417.21 LONG.= 103.38281420° W
NEW MEXICO EAST - NAD 27
X=794730.99 LAT.= 32.02291525° N
Y=373360.00 LONG.= 103.38235455° W
558' FSL, 620' FEL - SECTION 20

FIRST TAKE POINT (FTP)
NEW MEXICO EAST - NAD 83
X=836185.78 LAT.= 32.02123139° N
Y=372760.87 LONG.= 103.38197323° W
NEW MEXICO EAST - NAD 27
X=794997.40 LAT.= 32.02110476° N
Y=372703.68 LONG.= 103.38151371° W
100' FNL, 989' FEL - SECTION 29
100' FNL, 330' FWL - LEASE

STATE LINE CROSSING (SLC)
NEW MEXICO EAST - NAD 83
X=836258.60 LAT.= 32.00029491° N
Y=365144.42 LONG.= 103.38195460° W
NEW MEXICO EAST - NAD 27
X=795069.89 LAT.= 32.00016817° N
Y=365087.43 LONG.= 103.38149624° W
0' FSL, 330' FEL - SECTION 32
0' FSL, 330' FEL - LEASE

LAST TAKE POINT (LTP)
NEW MEXICO EAST - NAD 83
X=836272.12 LAT.= 31.99640645° N
Y=363729.85 LONG.= 103.38195113° W
NEW MEXICO EAST - NAD 27
X=795083.39 LAT.= 31.99627969° N
Y=363672.90 LONG.= 103.38149287° W
100' FSL, 1883' FEL - SECTION 25
100' FSL, 330' FEL - LEASE

BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST - NAD 83
X=836273.03 LAT.= 31.99614532° N
Y=363634.85 LONG.= 103.38195089° W
NEW MEXICO EAST - NAD 27
X=795084.30 LAT.= 31.99601855° N
Y=363577.90 LONG.= 103.38149265° W
10' FSL, 1912' FEL - SECTION 25
10' FSL, 330' FEL - LEASE

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

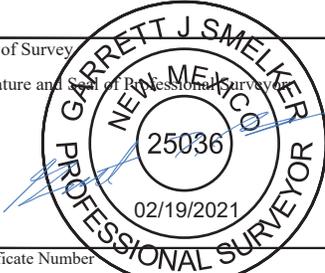
Signature _____ Date _____

Printed Name _____

E-mail Address _____

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

Date of Survey _____

Signature and Seal of Professional Surveyor


Certificate Number _____

EXHIBIT A-5

Titus Oil & Gas Production, LLC

NMOCD Case No. 21872

JUNE 17, 2021



**MONTGOMERY
& ANDREWS**
LAW FIRM

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

April 16, 2021

Via U.S. Certified Mail, return receipt requested

TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 21872 – Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico – **EI Campeon Fed Com 404H (WC)**

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Titus Oil & Gas Production, LLC (“Titus”) has filed an Application with the New Mexico Oil Conservation Division for an order regarding the proposed well described below. You are receiving this notice because you may have an interest in this well or in a tract adjoining the proposed spacing unit. In addition to considering the allocation of production under Section 70-2-17, the Division may also consider whether approval of a non-standard spacing unit is required under 19.15.16.15(B)(5) NMAC.

Case No. 21872. Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The HSU will be dedicated to the **EI Campeon Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 558’ FSL and 590’ FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10’ FSL and 1912’ FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]). Production will be allocated to New Mexico and Texas prorated on the basis of surface

EXHIBIT A-6

Titus Oil & Gas Production, LLC
NMOCD Case No. 21872
JUNE 17, 2021

All Interest Owners
April 16, 2021
Page 2

acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The well and lands are located approximately 14 miles southwest of Jal, New Mexico.

The attached application 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: <http://www.emnrd.state.nm.us/OCD/hearings.html>. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony.

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

Sharon T. Shaheen
Sharon T. Shaheen

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

EXHIBIT A

Occidental Petroleum
5 Greenway Plaza, Suite 110
Houston, TX 77046

Texas Comptroller of Public
Accounts
P.O. Box 13528, Capitol Station
Austin, TX 78711-3528

Railroad Commission of Texas
1701 N. Congress
Austin, Texas 78701

Bureau of Land Management
414 W. Taylor
Hobbs, NM 88240-1157

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

NM Taxation & Revenue Dept.
1100 South St. Francis Drive
Santa Fe, NM 87504

Devon Energy Production Company, LP
333 W Sheridan Ave
Oklahoma City, OK 73102

Chevron U.S.A., Inc.
6001 Bollinger Canyon Road
San Ramon, CA 94583

McCombs Energy, LLC
755 E. Mulberry, Suite 600
San Antonio, TX 78212

EOG Resources, Inc.
PO Box 4362
Houston, TX 77210

Oxy USA, Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046

Franco-Nevada Texas, LP
1745 Shea Center Dr., Suite 400
Highland Ranch, CO 80129

Newkumet, Ltd.
PO Box 11330
Midland, Texas 79702

Blue River Minerals, LLC
5950 Cedar Springs Rd Suite 100
Dallas, Texas 75235

Sammy L. Morrison, Trustee of Sammy
& Sibyl Morrison Mineral Trust
4617 Breezeway Ct.
Midland, Texas 79707

Pegasus Resources, LLC
2821 West 7th Street, Suite 500
Fort Worth, Texas 76107

McMullen Minerals, LLC
2821 West 7th Street, Suite 500
Fort Worth, Texas 76107

| Docket # OG-21-06089 Applicant: Titus Oil & Gas Production, LLC Hearing Date: 4/13/2021 Drilling Permit Approval - Campeon FED COM # 404H | | | | | |
|--|--|----------------|-----------------|---------------|------------------|
| <u>Exhibit #</u> | <u>Description</u> | <u>Offered</u> | <u>Admitted</u> | <u>Denied</u> | <u>Withdrawn</u> |
| 1 | Notice of Hearing | | | | |
| 2 | Drilling Schematic | | | | |
| 3 | Form W-1, "As Submitted" | | | | |
| 4 | Lorenzo Garza 3/5/2021 Memo | | | | |
| 5 | Form W-1, "Pending Approval" | | | | |
| 6 | Well Plat, Campeon FED COM # 404H | | | | |
| 7 | Phantom (Wolfcamp) Field Rule Printout | | | | |
| 8 | Allocation Comparison | | | | |
| 9 | Application for Allocation Order, New Mexico | | | | |
| 10 | Base Map | | | | |
| 11 | Form G-1, OXY - Medicine Man # 1 | | | | |
| 12 | Form W-2, EOG - Connie Mack # 1H | | | | |
| 13 | Form W-2, RSP - Pistol 24-24 # 2H | | | | |
| 14 | | | | | |
| 15 | | | | | |
| . | | | | | |
| . | | | | | |
| . | | | | | |
| . | | | | | |
| . | | | | | |
| . | | | | | |
| . | | | | | |
| . | | | | | |
| . | | | | | |

EXHIBIT A-7
 Titus Oil & Gas Production, LLC
 NMOCD Case No. 21872
 JUNE 17, 2021

on calendar
RECEIVED

MAR 29 2021

GEORGE C. NEALE
ATTORNEY AT LAW

RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

Oil and Gas Docket No. OG-21-00006089

§ REQUEST BY TITUS OIL & GAS PRODUCTION, LLC
§ (OPERATOR NO. 800622) TO CONTEST DRILLING
§ PERMITS UNIT DENIAL OF ADMINISTRATIVE
§ APPROVAL FOR THE EL CAMPEON FED COM
§ LEASE, WELL NO. 404H, PHANTOM (WOLFCAMP)
§ FIELD, LOVING COUNTY, TEXAS; DISTRICT 08
§

March 23, 2021

NOTICE OF HEARING

Date, Location, and Place of Hearing- Notice is hereby given that a public hearing will be held at 1:30 p.m. on **Tuesday, April 13, 2021**. Pursuant to the Amended COVID-19 Emergency Response Order issued by the Director of the Hearings Division on March 23, 2020, **THE HEARING WILL BE CONDUCTED REMOTELY BY VIDEO CONFERENCE**. If the hearing is not concluded on the day it commences, it will be continued from day to day until concluded.

Attendance- Parties to this matter must submit the enclosed Notice of Intent to Appear not later than five days prior to the hearing date. Persons who do not intend to appear as a party but wish to observe are encouraged to complete and return the enclosed Notice of Intent to Appear prior to the date of the hearing. Information regarding access to the hearing by video conference will be provided to those who submit a Notice of Intent to Appear. All persons intending to appear are further encouraged to submit the enclosed Consent to Electronic Service form.

Purpose of Hearing- The purpose of the hearing is to allow the parties to present evidence and consider all issues of fact and law raised in or relevant to the Application. The issues that may be addressed at the hearing include, but are not limited to, the following:

1. A statement of the matters asserted, and the nature of the Applicant's hearing request is in the attached Appendix A.
2. Any other issues raised in the pleadings, evidence, or argument that are necessary for the Commission to render a final decision on the merits of this case.

Failure to Appear- All parties, protestants or persons intending to participate at the hearing **must attend the hearing**. Failure to appear at any prehearing conference or the hearing in this case may result in **dismissal of that party's claim or protest**, or default against that party/protestant and claims. See, e.g., Tex. Gov't Code § 2001.056, 16 Tex. Admin. Code § 1.107.

Appearance at Hearing- All persons or parties supporting, opposing or protesting this Application and intending to participate in the hearing must complete and file with Docket Services the enclosed Notice of Intent to Appear at Hearing Protest form at least **five business days** prior to the hearing date in this Notice of Hearing. **This form is required even if a prior written response was submitted to the previously issued "Notice of Application."** A copy of the form should be served on the Applicant and any other parties of record.

Legal Authority and Jurisdiction- The Commission has jurisdiction over Applicant and over the matters at issue in this proceeding pursuant to Tex. Nat. Res. Code title 3, subtitles A, B and C, Tex. Water Code chapters 26, 27 and 29, and Tex. Gov't Code chapter 2001.

| |
|--|
| Docket # OG-21-06089 Titus Oil & Gas Prod., LLC Date: April 13, 2021 Exhibit No. <u>1</u> |
|--|

Oil and Gas Docket No. OG-21-00006089

Page 2

Particular Statutes and Rules Involved- The statutes and rules applicable to this proceeding include but are not limited to the following:

- Tex. Nat. Res. Code, title 3, subtitles A, B and C;
- Commission rules in 16 Tex. Admin. Code chapters 1 and 3;
- Tex. Water Code chapters 26, 27 and 29; and
- Statutes and rules referenced in Appendix A, if any, of this Notice of Hearing.

Continuance of Hearing- Any request for continuance of this hearing must be filed in Docket Services **no later than five business days prior to the hearing date**. Copies of such request must be served to all parties shown on the service list. 16 Tex. Admin. Code § 1.45(a)(1).

Ex parte Communications Prohibited- Ex parte communications (e.g. phone calls and emails) with the examiners and Commissioners are prohibited. Tex. Gov't Code § 2001.061, 16 Tex. Admin. Code § 1.7.

Written Transcript of the Hearing- **If a case is protested or becomes protested, the party requesting commission action in this case will need to obtain a court reporter no later than 21 days before the hearing. Typically, this would include the applicant, complainant, and similarly situated parties in other types of cases.** See 16 Tex. Admin. Code § 1.111. If an examiner or party requests a written transcript, the Commission may assess the cost to one or more parties. This includes paying the court reporter's fees for the preparation of the original transcript for the Commission's official records and one copy for use by the examiners in preparing their written recommendation. To obtain a court reporter, contact Dave Howard & Associates Court Reporters at 512-282-0313 or dave@howardreporters.com.

Hearing Exhibits- All exhibits must be clearly marked and submitted in duplicate. If a party wants to offer an exhibit admitted in a prior proceeding, the party must provide a properly identified copy as an exhibit for the record in this proceeding. Additionally, if a court reporter is used, a copy of all exhibits must be given to the court reporter at the time of the hearing.

Auxiliary Aids or Services for Persons with a Disability- Any individual with a disability who needs auxiliary aids and services to have an equal opportunity to effectively communicate and participate in the hearing must request such aids or services at least two weeks prior to the hearing by notifying the Commission's Docket Services by mail at P. O. Box 12967, Austin, Texas 78711-2967 or by telephone at (512) 463-6848 or TDD No. (800) 735-2989.

Audio/Visual Computer Presentations- All requests for setting up a presentation need to be made in writing no less than three business days prior to the hearing date. Please contact Docket Services to complete a Presentation Setup Help Desk Questionnaire Form.

Service List- The Applicant shall review this Notice of Hearing and the attached Certificate of Service for accuracy and completeness and shall immediately notify Docket Services of any discrepancy or omission.

2/

APPENDIX A

This hearing is held to consider the application of Titus Oil & Gas Production, LLC for an exception to Statewide Rule 37 for the El Campeon Fed Com Lease, Well No. 404H, Phantom (Wolfcamp) Field, in Loving County, Texas; District 08.

The Applicant seeks the following:

1. Titus Oil & Gas Production, LLC requests a drilling permit for the El Campeon Fed Com Lease, Well No. 404H, Phantom (Wolfcamp) Field, Loving County, Texas; District 08.
2. Titus Oil & Gas Production, LLC requests an Exception to Statewide Rule 10 for the Phantom (Wolfcamp) Field and the New Mexico field/pool code 98234 (WC-025 G-09 S263619C; Wolfcamp).
3. Titus Oil & Gas Production, LLC requests an Exception to Statewide Rule 37 for the El Campeon Fed Com Lease, Well No. 404H, Phantom (Wolfcamp) Field, Loving County, Texas; District 08.

Documents filed in a case are viewable in the RRC Cases online portal. To access the portal, go to <https://www.rrc.texas.gov/hearings/rrc-cases/>, click on "Find a Case" and enter the last four digits of the docket number in the search box in the upper right-hand corner of the screen that appears.

If you have questions regarding this Application, please contact the Applicant's representative, George Neale, at (512) 477-1976. If you have any questions regarding the hearing procedure, please contact Docket Services at (512) 463-6848 or at Room 12-123. Additional information about the hearing process can be found at www.rrc.texas.gov/hearings.

To access the Commission's Statewide Rules, start from the Commission's Home Page, click on "General Counsel" (upper right side of page) and follow the path: Rules, Current Rules, T.A.C. Chapter 3, Rule Number.

It is required that the enclosed Notice of Intent to Appear (or a copy thereof) be filed by each party for this case not later than five days prior to the hearing. Failure to do so by the applicant or complainant **may lead to the hearing being canceled**. In protested matters, failure by a protestant to timely file a Notice of Intent to Appear **may result in dismissal of the protest**. All Persons intending to observe or participate in this matter are strongly encouraged to file the enclosed Consent to Electronic Service and Notification together with the Notice of Intent to Appear.

Information regarding access to the hearing by video conference will be provided to those who submit a notice of intent to appear. Instructions for the pre-filing of evidence will be transmitted to the parties within a reasonable time prior to the hearing date.

In the event the Austin Offices of the Railroad Commission of Texas reopens to the public, the assigned Administrative Law Judge may order the hearing to be converted from video conference to in-person. Such order will be transmitted to the parties within a reasonable time prior to the hearing date.

Check the Weekly Hearing Schedule on the Commission website at: <http://www.rrc.texas.gov/hearings/hearing-schedules/> the day prior to the hearing to confirm that it will go forward as scheduled.

3

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Notice of Hearing in Oil and Gas Docket No. **OG-21-00006089** was served on each of the persons named below by depositing same in the United States Mail, Inter-Agency Mail, or Inter-Agency E-Mail, as follows:

GEORGE NEALE
FOR TITUS OIL & GAS PRODUCTION LLC
PO BOX 1945
AUSTIN TX 78767

NEW MEXICO STATE LAND OFFICE
310 OLD SANTA FE TRAIL
SANTA FE NM 87501

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
P.O. BOX 13528, CAPITOL STATION
AUSTIN, TEXAS 78711-3528

JESSICA MENDOZA
STAFF ATTORNEY
GENERAL COUNSEL
RRC - AUSTIN
Via Intra-Agency Email

NEW MEXICO ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT
1220 SOUTH ST. FRANCIS DRIVE
SANTA FE, NM 87505

LORENZO GARZA
ASSISTANT DEPUTY DIRECTOR
ADMINISTRATIVE COMPLIANCE
RRC - AUSTIN
Via Intra-Agency Email

NEW MEXICO ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DRIVE
SANTA FE, NM 87505

JOE STASULLI
ASSISTANT DEPUTY DIRECTOR
ADMINISTRATIVE COMPLIANCE
RRC - AUSTIN
Via Intra-Agency Email

BUREAU OF LAND MANAGEMENT,
NEW MEXICO STATE OFFICE, MINERALS DIVISION
301 DINOSAUR TRAIL
SANTA FE, NM 87508

OLIN MACNAMARA
GEOLOGIST
FIELD OPERATIONS
RRC - AUSTIN
Via Intra-Agency Email

BUREAU OF LAND MANAGEMENT
414 W. TAYLOR
HOBBS, NM 88240-1157

PAUL DUBOIS
ASSISTANT DIRECTOR
O&G DIVISION TECHNICAL PERMITTING
RRC - AUSTIN
Via Intra-Agency Email

NEW MEXICO TAXATION & REVENUE DEPARTMENT
1100 SOUTH ST. FRANCIS DRIVE
SANTA FE, NM 87504

On this the **23rd** day of **March, 2021**.

Melissa Stovall

Docket Services, Hearings Division
Railroad Commission of Texas

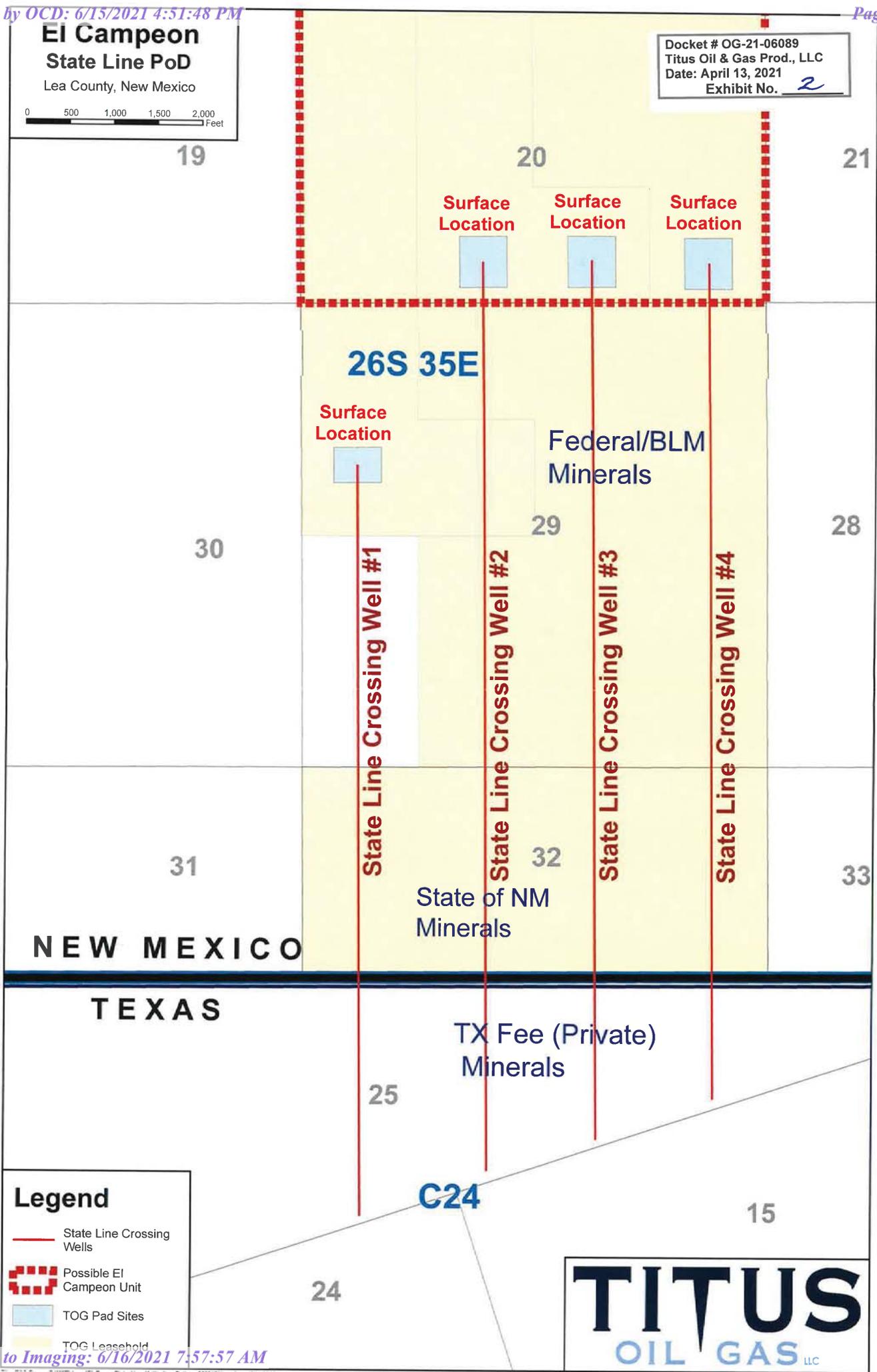
4

El Campeon State Line PoD

Lea County, New Mexico



Docket # OG-21-06089
 Titus Oil & Gas Prod., LLC
 Date: April 13, 2021
 Exhibit No. 2



Legend

- Possible El Campeon Unit
- TOG Pad Sites
- TOG Leasehold
- State Line Crossing Wells



| | | |
|--|--|--|
| RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION | | FORM W-1 07/2004 |
| APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <small>This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.</small> | | Permit Status: As Submitted <small>The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.</small> |
| API No. _____ Application Status # 867822 SWR Exception Case/Docket No. _____ | 3. Operator Address (include street, city, state, zip): 420 THROCKMORTON ST., STE 1150 FORT WORTH, TX 76102-0000 | |
| 1. RRC Operator No. 880622 | 2. Operator's Name (as shown on form P-5, Organization Report) TITUS OIL & GAS PRODUCTION, LLC | 5. Well No. 404H |
| 4. Lease Name EL CAMPEON FED COM | | |
| GENERAL INFORMATION | | |
| 6. Purpose of filing (mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter <input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D) | | |
| 7. Wellbore Profile (mark ALL appropriate boxes): <input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack | | |
| 8. Total Depth 12581 | 9. Do you have the right to develop the minerals under any right-of-way? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| SURFACE LOCATION AND ACREAGE INFORMATION | | |
| 11. RRC District No. 08 | 12. County LOVING | 13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore |
| 14. This well is to be located 20 miles in a NW direction from Kermitt which is the nearest town in the county of the well site. | | |
| 15. Section 24 Block C24 Survey PSL | 18. Abstract No. A-912 | 19. Distance to nearest lease line: _____ ft. 20. Number of contiguous acres in lease, pooled unit, or unitized tract: 636 |
| 21. Lease Perpendiculars: 1 ft from the NORTH line and _____ line. | | |
| 22. Survey Perpendiculars: 1 ft from the NORTH line and 330 ft from the EAST line. | | |
| 23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 24. Unitization Docket No: _____ | 25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (attach Form W-1A) | |
| FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line. | | |
| 26. RRC District No. 08 | 27. Field No. 71052900 | 28. Field Name (exactly as shown in RRC records) PHANTOM (WOLFCAMP) |
| | 29. Well Type Oil or Gas Well | 30. Completion Depth 12581 |
| | | 31. Distance to Nearest Well in this Reservoir 200.00 |
| | | 32. Number of Wells on this lease in this Reservoir 3 |
| BOTTOMHOLE LOCATION INFORMATION | | |
| Remarks See W1 Comments attached | | |
| ND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment) | | |
| Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. | | |
| Name of filer Ryan DeLong, Regulatory Manager | | Date submitted Feb 22, 2021 |
| Phone (817)8526370 | | E-mail Address (OPTIONAL) rdelong@titusoil.com |
| Data Validation Time Stamp: Feb 22, 2021 9:39 AM ('As Submitted' Version) | | |

Docket # OG-21-06089
Titus Oil & Gas Prod., LLC
Date: April 13, 2021
Exhibit No. 3

21

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

Form W-1H
Supplemental Horizontal Well Information

07/2004

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Permit Status: As Submitted
The RRC has not approved this application.
Duplication or distribution of information is
at the user's own risk.

Status # 867822
Approved Date:

| | | | |
|--|---|-------------------------------------|---------------------|
| 1. RRC Operator No. 880622 | 2. Operator's Name (exactly as shown on form P-5, Organization Report) TITUS OIL & GAS PRODUCTION, LLC | 3. Lease Name EL CAMPEON FED COM | 4. Well No. 404H |
| Lateral Drainhole Location Information | | | |
| 5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08) | | | |
| 6. Section 24 | 7. Block C24 | 8. Survey PSL | 9. Abstract 912 |
| 10. County of BHL LOVING | | | |
| 11. Terminus Lease Line Perpendiculars 10 ft. from the South line, and 330 ft. from the East line | | | |
| 12. Terminus Survey Line Perpendiculars 10 ft. from the South line, and 1912 ft. from the East line | | | |
| 13. Penetration Point Lease Line Perpendiculars 1 ft. from the North line, and 330 ft. from the East line | | | |

M/

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

Permit Status: As Submitted

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

W-1 Comments

Status # 867822

Approved Date:

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.

[Feb 17, 2021 11:32 AM]: Commission Staff expresses no opinion as to whether a 100% ownership interest in each of the leases alone or in combination with a "production sharing agreement" confers the right to drill across lease/unit lines or whether a pooling agreement is also required. However, until that issue is directly addressed and ruled upon by a Texas court of competent jurisdiction it appears that a 100% interest in each of the leases and a production sharing agreement constitute a sufficient colorable claim to the right to drill a horizontal well as proposed to authorize the removal of the regulatory bar and the issuance of a drilling permit by the Commission, assuming the proposed well is in compliance with all other relevant Commission requirements.

Issuance of the permit is not an endorsement or approval of the applicant's stated method of allocating production proceeds among component leases or units. All production must be reported to the Commission as production from the lease or pooled unit on which the wellhead is located and reported production volume must be determined by actual measurement of hydrocarbon volumes prior to leaving that tract and may not be based on allocation or estimation. Payment of royalties is a contractual matter between the lessor and lessee. Interpreting the leases and determining whether the proposed proceeds allocation comports with the relevant leases is not a matter within Commission jurisdiction but a matter for the parties to the lease and, if necessary, a Texas court of competent jurisdiction.

The foregoing statements are not, and should not be construed as, a final opinion or decision of the Railroad Commission.

CHRISTI CRADDICK, CHAIRMAN
WAYNE CHRISTIAN, COMMISSIONER
JIM WRIGHT, COMMISSIONER



DANNY SORRELLS
ASSISTANT EXECUTIVE DIRECTOR
DIRECTOR, OIL AND GAS DIVISION
LORENZO GARZA
DEPUTY ASSISTANT DIRECTOR
ADMINISTRATIVE COMPLIANCE

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

March 5, 2021

FILED
4:31 pm, Mar 08, 2021
DOCKET SERVICES
RAILROAD COMMISSION OF TEXAS

DANA AVANT LEWIS
DIRECTOR, HEARINGS DIVISION

RE: Hearing request by TITUS OIL & GAS PRODUCTION, LLC for the EL CAMPEON FED COM- Well # 404H for issuance of a drilling permit administratively denied by staff in the PHANTOM (WOLFCAMP) FIELD in LOVING COUNTY, TEXAS.

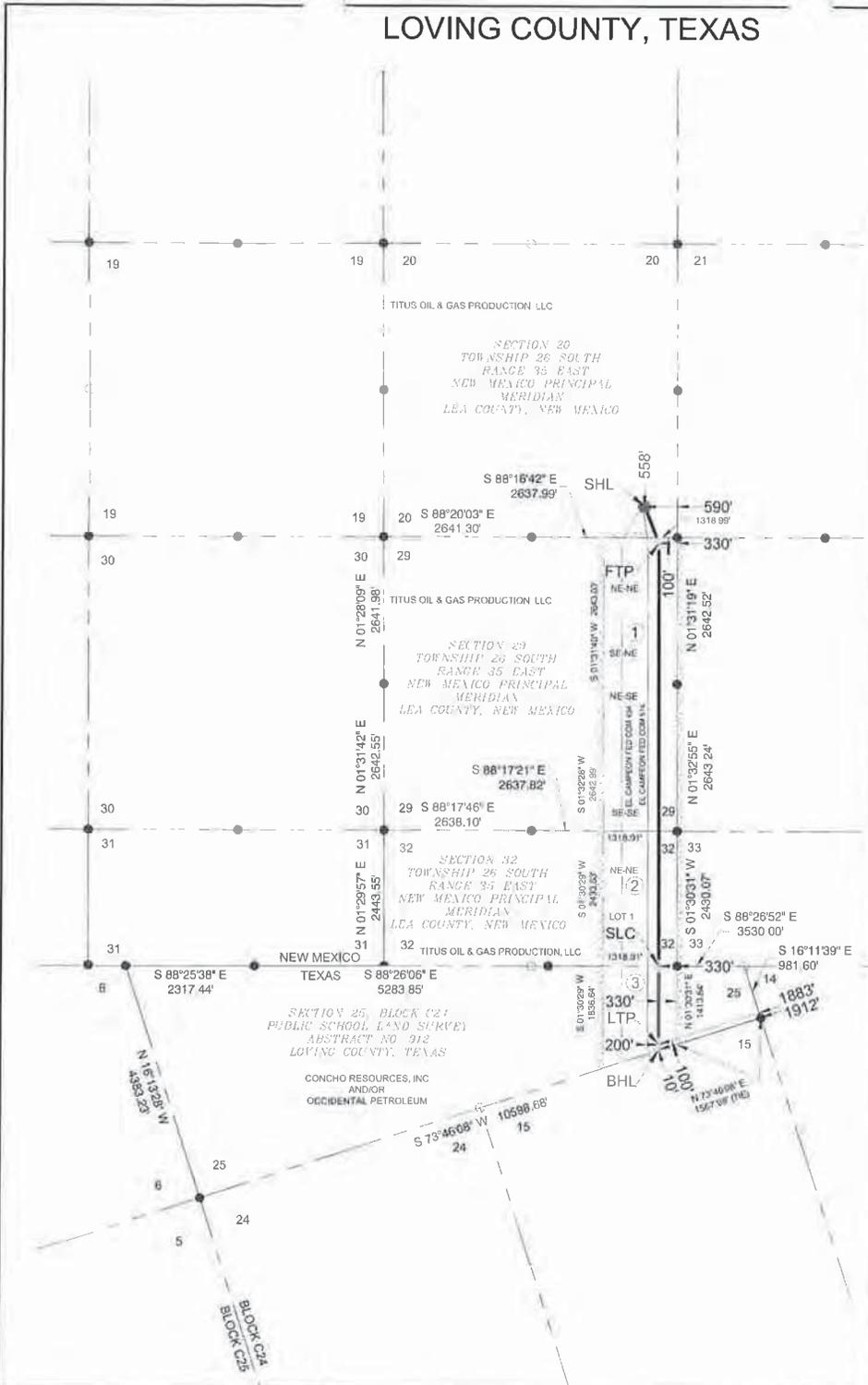
The Drilling Permits department has received a drilling permit application from TITUS OIL & GAS PRODUCTION, LLC for the EL CAMPEON FED COM- Well # 404H. This well is proposed to be drilled and completed as a horizontal well in which the well will be perforated and completed in both New Mexico and Texas. In the past the Drilling Permits department has issued drilling permits in which a horizontal well has traversed the state boundary between both states. In these instances, the well would only be perforated and completed in one state, not both. Staff does not feel that this application can be administratively approved, and the applicant wishes the matter to go to hearing.

Lorenzo Garza

Manager, Drilling Permits
Lorenzo.Garza@rrc.texas.gov

Docket # OG-21-06089
Titus Oil & Gas Prod., LLC
Date: April 13, 2021
Exhibit No. 4

LOVING COUNTY, TEXAS



SURFACE HOLE LOCATION

ELEVATION= 3172.14'

TEXAS CENTRAL - NAD 83

| | |
|------------------------|----------------|
| NORTHING | 10712513.96 |
| EASTING | 1351511.11 |
| LATITUDE | 32.02304109 |
| LONGITUDE | -103.38281477 |
| TEXAS CENTRAL - NAD 27 | |
| NORTHING | 869934.66 |
| EASTING | 1055048.78 |
| LATITUDE | 32.02291440° |
| LONGITUDE | -103.38235512° |

FIRST TAKE POINT

TEXAS CENTRAL - NAD 83

| | |
|------------------------|----------------|
| NORTHING | 10711848.40 |
| EASTING | 1351753.61 |
| LATITUDE | 32.02123058° |
| LONGITUDE | -103.38197385° |
| TEXAS CENTRAL - NAD 27 | |
| NORTHING | 869269.12 |
| EASTING | 1055291.25 |
| LATITUDE | 32.02110395° |
| LONGITUDE | -103.38151432° |

STATE LINE CROSSING

TEXAS CENTRAL - NAD 83

| | |
|------------------------|----------------|
| NORTHING | 10704234.31 |
| EASTING | 1351550.64 |
| LATITUDE | 32.00029469° |
| LONGITUDE | -103.38195530° |
| TEXAS CENTRAL - NAD 27 | |
| NORTHING | 861655.26 |
| EASTING | 1055087.96 |
| LATITUDE | 31.00016796° |
| LONGITUDE | -103.38149694° |

LAST TAKE POINT

TEXAS CENTRAL - NAD 83

| | |
|------------------------|----------------|
| NORTHING | 10702820.18 |
| EASTING | 1351512.95 |
| LATITUDE | 31.99640634° |
| LONGITUDE | -103.38195184 |
| TEXAS CENTRAL - NAD 27 | |
| NORTHING | 860241.16 |
| EASTING | 1055050.24 |
| LATITUDE | 31.99627958° |
| LONGITUDE | -103.38149358° |

BOTTOM HOLE LOCATION

TEXAS CENTRAL - NAD 83

| | |
|------------------------|----------------|
| NORTHING | 10702725.21 |
| EASTING | 1351510.42 |
| LATITUDE | 31.99614521° |
| LONGITUDE | -103.38195160° |
| TEXAS CENTRAL - NAD 27 | |
| NORTHING | 860146.19 |
| EASTING | 1055047.71 |
| LATITUDE | 31.99601844° |
| LONGITUDE | -103.38149335° |

LATERAL OFFSET

| | |
|---|--|
| SHL - 548' FEL - 300' FEL - SECTION 30 | |
| FTP - 100' FEL - 330' FEL - SECTION 30 | |
| BLS - 130' FEL - SECTION 31 - 15' LEASE | |
| LTP - 100' FEL - 183' FEL - 180' FOR 24 | |
| LTP - 100' FEL - 330' FEL - LEASE | |
| BHL - 10' FEL - 10' FEL - SECTION 25 | |
| BHL - 10' FEL - 330' FEL - LEASE | |

CALLED ACRES TOTALS

| TRACT NO. | ACRES |
|--------------------|---------------------|
| 1 | 100.03 ACRES |
| 2 | 73.64 ACRES |
| 3 | 49.30 ACRES |
| TOTAL ACRES | 222.97 ACRES |

EL CAMPEON FED COM 404H WELL BORE SUMMARY

SHL TO FTP=S 20°01'12" E, 708.36'

FTP TO SL=S 01°31'37" W, 7616.80'

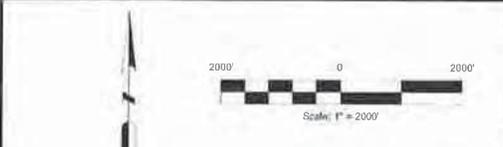
SL TO LTP=S 01°31'37" W, 1414.64'

LTP TO BHL=S 01°31'37" W, 95.01'

NOTES:

- BEARINGS AND COORDINATES SHOWN HEREON ARE REFERENCED TO THE TEXAS COORDINATE SYSTEM OF 1983 CENTRAL ZONE 4203
- LATITUDE & LONGITUDE ARE NAD 83 AND NAD 27 GEOGRAPHIC.
- THIS IS AN EXHIBIT AND DOES NOT REPRESENT A TRUE BOUNDARY SURVEY. THIS SURVEY IS BASED ON OWNERSHIP AND EASEMENT INFORMATION PROVIDED BY TITUS OIL & GAS PRODUCTION, LLC. SURVEYOR DID NOT ABSTRACT SUBJECT TRACT AND THERE MAY BE EASEMENTS OR OTHER ENCUMBRANCES THAT AFFECT THE SUBJECT TRACT THAT ARE NOT SHOWN HEREON.

- LEGEND**
- ⊙ DENOTES HORIZONTAL SURFACE LOCATION AND POINT OF PENETRATION
 - DENOTES FIRST TAKE POINT LOCATION LAST TAKE POINT LOCATION AND BOTTOM HOLE LOCATION & TERMINUS POINT
 - ↻ DENOTES BEARING CHANGE
 - DENOTES FOUND MONUMENT
 - ⊙ DENOTES CALCULATED CORNER
 - DENOTES PRODUCING WELL
 - DENOTES PERMITTED WELL
 - DENOTES SECTION LINE
 - - - DENOTES PROPOSED LATERAL, NEW MEXICO
 - DENOTES PROPOSED WELL PAD
 - DENOTES ABSTRACT LINE
 - DENOTES 800' BOUNDARY BOX
 - DENOTES LEASE
 - DENOTES TRACT



THE SURFACE HOLE IS LOCATED APPROXIMATELY 20 MILES NORTHWEST OF KERMIT, TEXAS

TITUS OIL & GAS PRODUCTION, LLC

WELL LOCATION PLAT
EL CAMPEON FED COM 404H
SITUATED IN
SECTION 20, TOWNSHIP 26 SOUTH, RANGE 35 EAST
NEW MEXICO PRINCIPAL MERIDIAN, LEA COUNTY, NEW MEXICO
SECTION 29, TOWNSHIP 26 SOUTH, RANGE 35 EAST
NEW MEXICO PRINCIPAL MERIDIAN, LEA COUNTY, NEW MEXICO
SECTION 32, TOWNSHIP 26 SOUTH, RANGE 35 EAST
NEW MEXICO PRINCIPAL MERIDIAN, LEA COUNTY, NEW MEXICO
SECTION 25, BLOCK C24
PUBLIC SCHOOL LAND SURVEY 912
LOVING COUNTY, TEXAS

02/18/2021
GARRETT JAMES SMLERKER TEXAS R.P.L.S. NO. 6870

TRIGLON SURVEYING, L.L.C.
2129 S Great Southwest Parkway Suite 314
Grand Prairie, TX 75051
(817) 528-1188 - Fax (817) 528-1161

| | | | | | |
|--------|-----------|----------|--------|-----------|-------|
| REV. # | DRAWN BY: | DATE: | REV. # | DRAWN BY: | DATE: |
| 1 | MS | 02/17/21 | | | |

| | | | |
|-----------------|----------------|--|--------|
| DRAWN BY: JEB | DATE: 01/15/21 | DWG. NO. EL CAMPEON FED COM 404H RRC PERMIT PLAT | REV. 1 |
| CHECKED BY: GJS | DATE: 02/17/21 | | |
| SCALE: 1"=2000' | PG. 1 OF 1 | | |

21

| | | |
|---|--|--|
| API No. <u>42-301-35346</u> Application Status # <u>867822</u> SWR Exception Case/Docket No. _____ | RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.</i> | FORM W-1 07/2004 Permit Status: Pending Approval <i>The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.</i> |
| 1. RRC Operator No. <u>880622</u> 4. Lease Name <u>EL CAMPEON FED COM</u> | 2. Operator's Name (as shown on form P-5, Organization Report) <u>TITUS OIL & GAS PRODUCTION, LLC</u> 5. Well No. <u>404H</u> | 3. Operator Address (include street, city, state, zip): <u>420 THROCKMORTON ST., STE 1150</u> <u>FORT WORTH, TX 76102-0000</u> |
| GENERAL INFORMATION | | |
| 6. Purpose of filing (mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Reclamation <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter <input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-ID) | | |
| 7. Wellbore Profile (mark ALL appropriate boxes): <input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-ID) <input type="checkbox"/> Sidetrack | | |
| 9. Do you have the right to develop the minerals under any right-of-way? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | |
| SURFACE LOCATION AND ACREAGE INFORMATION | | |
| 11. RRC District No. <u>08</u> | 12. County <u>LOVING</u> | 13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore |
| 14. This well is to be located <u>20</u> miles in a <u>NW</u> direction from <u>Kermit</u> which is the nearest town in the county of the well site. | | |
| 15. Section 16. Block <u>NEW MEXICO PRINCIPAL MERIDIAN S20 T26S R35E</u> | 17. Survey <u>A-</u> | 18. Abstract No. <u>A-</u> 19. Distance to nearest lease line: <u>590</u> ft. 20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>49.2</u> |
| 21. Lease Perpendiculars: <u>558</u> ft from the <u>SOUTH</u> line and <u>590</u> ft from the <u>EAST</u> line. | 22. Survey Perpendiculars: <u>558</u> ft from the <u>SOUTH</u> line and <u>590</u> ft from the <u>EAST</u> line. | 23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 24. Unitization Docket No: _____ 25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (attach Form W-1A) |
| FIELD INFORMATION - List all fields of anticipated completion including Wildcat. List one zone per line. | | |
| 26. RRC District No. <u>08</u> | 27. Field No. <u>71052900</u> | 28. Field Name (exactly as shown in RRC records) <u>PHANTOM (WOLFCAMP)</u> |
| | 29. Well Type <u>Oil or Gas Well</u> | 30. Completion Depth <u>12581</u> |
| | | 31. Distance to Nearest Well in this Reservoir <u>0.00</u> |
| | | 32. Number of Wells on this lease in this Reservoir <u>1</u> |
| BOTTOMHOLE LOCATION INFORMATION | | |
| Remarks See W1 Comments attached <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> Docket # OG-21-06089 Titus Oil & Gas Prod., LLC Date: April 13, 2021 Exhibit No. 5 </div> | | |
| AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment) | | |
| I certify that information stated in this application is true and complete, to the best of my knowledge. Certificate: Ryan DeLong, Regulatory Manager Date submitted <u>Feb 22, 2021</u> Name of filer _____ E-mail Address (OPTIONAL) <u>rdelong@ititsoil.com</u> Phone <u>(817)8526370</u> | | |
| RRC Use Only Data Validation Time Stamp: <u>Apr 12, 2021 2:56 PM (Current Version)</u> | | |

Form W-1H
Supplemental Horizontal Well Information

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

Permit Status: Pending Approval
The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

Released to Imaging: 6/16/2021 7:57:57 AM

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.

Status # 867822

Approved Date:

| | | | |
|--|---|-------------------------------------|---------------------|
| 1. RRC Operator No. 880622 | 2. Operator's Name (exactly as shown on form P-5, Organization Report) TITUS OIL & GAS PRODUCTION, LLC | 3. Lease Name EL CAMPEON FED COM | 4. Well No. 404H |
| Lateral Drainhole Location Information | | | |
| 5. Field as shown on Form W-1 25 | PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08) | | |
| 6. Section C24 | 7. Block PSL/ RUSSELL, W B | 8. Survey | 9. Abstract 701 |
| 10. County of BHL LOVING | | | |
| 11. Terminus Lease Line Perpendiculars 10 ft. from the South line. and 330 ft. from the East line | | | |
| 12. Terminus Survey Line Perpendiculars 10 ft. from the South line. and 1912 ft. from the East line | | | |
| 13. Penetration Point Lease Line Perpendiculars 1 ft. from the North line. and 330 ft. from the East line | | | |

21

31

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

W-1 Comments

Status # 867822

Approved Date:

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

*This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.*

Permit Status: Pending Approval

*The RRC has not approved this application.
Duplication or distribution of information is at
the user's own risk.*

[Feb 17, 2021 11:32 AM]: Commission Staff expresses no opinion as to whether a 100% ownership interest in each of the leases alone or in combination with a "production sharing agreement" confers the right to drill across lease/unit lines or whether a pooling agreement is also required. However, until that issue is directly addressed and ruled upon by a Texas court of competent jurisdiction it appears that a 100% interest in each of the leases and a production sharing agreement constitute a sufficient colorable claim to the right to drill a horizontal well as proposed to authorize the removal of the regulatory bar and the issuance of a drilling permit by the Commission, assuming the proposed well is in compliance with all other relevant Commission requirements.

Issuance of the permit is not an endorsement or approval of the applicant's stated method of allocating production proceeds among component leases or units. All production must be reported to the Commission as production from the lease or pooled unit on which the wellhead is located and reported production volume must be determined by actual measurement of hydrocarbon volumes prior to leaving that tract and may not be based on allocation or estimation. Payment of royalties is a contractual matter between the lessor and lessee. Interpreting the leases and determining whether the proposed proceeds allocation comports with the relevant leases is not a matter within Commission jurisdiction but a matter for the parties to the lease and, if necessary, a Texas court of competent jurisdiction.

The foregoing statements are not, and should not be construed as, a final opinion or decision of the Railroad Commission.; [RRC STAFF Feb 22, 2021 9:53 AM]: Changed coordinates per plat.; [RRC STAFF Feb 22, 2021 10:04 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Apr 7, 2021 4:23 PM]: The surface location of the proposed well is in Lea County, New Mexico. When mapped into the Commission's GIS system the surface location of the well will appear to be located on the boundary line between the two states.



Docket # OG-21-06089
 Titus Oil & Gas Prod., LLC
 Date: April 13, 2021
 Exhibit No. 7

Field Rules Display

[Field Query](#) [Previous Query](#) [Results](#)

Field Rules for Field: PHANTOM (WOLFCAMP)

Field Number: 71052900 District Name: 08

Oil Field Rules:

County Regular: N **Salt Dome:** N **Field Location:** LAND **Don't Permit:** N

Schedule Remarks: FOR 8 WELLS. SEE DKT FOR COMPLETE LEASE/WELL DETAILS

Comments: OPTIONAL 20 ACRES,P15'S,ACRES LIST,LEASE PLATS REQUIRED

| Rule Type | Depth | Lease Spacing | Well Spacing | Acres per Unit | Tolerance Acres | Diagonal Code | Diagonal Max Length |
|----------------|------------|---------------|--------------|----------------|-----------------|------------------|---------------------|
| Special Rules | All Depths | 330 | 0 | 320.0 | 40.0 | Corner to Corner | 0 |
| Optional Rules | All Depths | 330 | 0 | 20.0 | 0.0 | Corner to Corner | 99999 |

Gas Field Rules:

County Regular: N **Salt Dome:** N **Field Location:** LAND **Don't Permit:** N

Schedule Remarks: FOR THE FOLLOWING API 389-37515.

Comments: NO BETWEEN WELL SPACING,20 AC.OPT,P-15,AC.LIST,PLAT REQ.

| Rule Type | Depth | Lease Spacing | Well Spacing | Acres per Unit | Tolerance Acres | Diagonal Code | Diagonal Max Length |
|----------------|------------|---------------|--------------|----------------|-----------------|------------------|---------------------|
| Special Rules | All Depths | 330 | 0 | 320.0 | 32.0 | | 0 |
| Optional Rules | All Depths | 330 | 0 | 20.0 | 0.0 | Corner to Corner | 99999 |

Special Horizontal Field Rules: For informational purposes only. The Final Order controls all field rules.

[Illustration](#) [Screen Help](#)

Unconventional Fracture Treated (UFT): Yes

UFT Effective Date: 05/10/2016

Correlative Interval: From 9515 to 12447 feet

Established by API Number:
38932637

Dual Lease Line Take Point Spacing

First/Last Take Points (Heel and Toe) to Lease Line: 100 feet

Off Lease Penetration Notification

Perpendicular Spacing from All Take Points to Lease Line:
330 feet

Duration(days): **Earliest Submit Date:**

Between-Well Spacing

Subsurface Tolerance Box: 50 feet

Horizontal to Vertical/Directional: 0 feet

Horizontal to Horizontal: 0 feet

Overlap Distance: N/A

Stacked Lateral Rules: Yes (If yes, see Final Order for details)

Horizontal Depth Severance: Yes

Special Rule 38 (Well Density) Provision

Upper: N/A

Notification Radius: N/A

Lower: N/A

Comments for the Special Field Rules

Comments: N/A

History: Final Orders that contain special horizontal field rules language

| Docket Number | Final Order Effective Date | Final Order Document |
|---------------|----------------------------|----------------------------|
| 08-0277363 | 09/11/2012 | Click Here |
| 08-0275212 | 06/12/2012 | Click Here |
| 08-0290788 | 07/14/2015 | Click Here |
| 08-0303885 | 08/01/2017 | Click Here |
| 08-0310856 | 10/16/2018 | Click Here |

Cancel

2/

Campeon Fed Com # 404H

| | <u>Surface Acreage</u> | | <u>Completed Lateral</u> | |
|------------|------------------------|---------|--------------------------|---------|
| New Mexico | 233.64 | 82.61% | 7,616.80 | 84.34% |
| Texas | 49.20 | 17.39% | 1,414.64 | 15.66% |
| Total | 282.84 | 100.00% | 9,031.44 | 100.00% |

Docket # OG-21-06089
Titus Oil & Gas Prod., LLC
Date: April 13, 2021
Exhibit No. 8

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

Titus Oil & Gas Production, LLC (“Titus”), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, §70-2-17, for an order approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]). In support of its application, Titus states as follows:

1. Titus is the sole working interest owner in the New Mexico portion of the HSU and has the right to drill thereon.
2. Occidental Petroleum (“OXY”) is the sole working interest owner in the Texas portion of the HSU and has the right to drill thereon. OXY supports Titus’s plan to drill the subject well described below.

| |
|--|
| Docket # OG-21-06089 Titus Oil & Gas Prod., LLC Date: April 13, 2021 Exhibit No. <u>9</u> |
|--|

3. Titus proposes to dedicate this spacing unit to the **El Campeon Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 558' FSL and 590' FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10' FSL and 1912' FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas.

4. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

5. Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas.

6. The Railroad Commission of Texas will conduct a hearing on April 13, 2021 regarding approval of the production allocation on behalf of Texas.

7. The proposed production allocation between New Mexico and Texas will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to permit Titus and other New Mexico mineral interest owners to obtain their just and fair share of the oil and gas underlying the subject lands, production should be allocated between New Mexico and Texas as proposed.

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 approving the production allocation between New Mexico and Texas for minerals produced from the Wolfcamp formation underlying the HSU.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

John F. McIntyre

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 986-2678

sshaheen@montand.com

jmcintyre@montand.com

Attorneys for Titus Oil & Gas Production, LLC



RAILROAD COMMISSION OF TEXAS

Form G-1

1701 N. Congress
 P.O. Box 12967
 Austin, Texas 78701-2967

Status: Approved
 Date: 09/06/2016
 Tracking No.: 160124

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

| OPERATOR INFORMATION | |
|----------------------|--|
| Operator | OXY USA INC. Operator 630591 |
| Operator | ATTN KELLEY MONTGOMERY 5 GREENWAY PLAZA SUITE 110 HOUSTON, TX 77046-0000 |

| WELL INFORMATION | | | |
|----------------------------------|--|--------------|------------------|
| API | 42-301-31237 | County: | LOVING |
| Well | 1 | RRC District | 08 |
| Lease | MEDICINE MAN | Field | ARAPAHO (STRAWN) |
| RRC Gas ID | 213078 | Field No.: | 03355600 |
| Location | Section: 25, Block: C24, Survey: PSL/RUSSELL, W B, Abstract: 701 | | |
| Latitude | | Longitud | |
| This well is | 22.8 | miles in | NORTHEAST |
| direction | MENTONE, | | |
| which is the nearest town in the | | | |

Docket # OG-21-06089
Titus Oil & Gas Prod., LLC
Date: April 13, 2021
Exhibit No. 11

| FILING INFORMATION | | |
|--|--------------------|---------------------------------------|
| Purpose of | Well Record Only | |
| Type of | Other/Recompletion | |
| Well Type: | Producing | Completion or Recompletion 06/26/2016 |
| Type of Permit | | Date 01/05/2006 Permit No. 561266 |
| Permit to Drill, Plug Back, or Rule 37 Exception | | |
| Fluid Injection | | |
| O&G Waste Disposal | | |
| Other: | | |

| COMPLETION INFORMATION | | | |
|---|---------------------|--|---------------|
| Spud | 10/05/2005 | Date of first production after rig | 06/26/2016 |
| Date plug back, deepening, drilling operation | 06/18/2016 | Date plug back, deepening, recompletion, drilling operation | 06/26/2016 |
| Number of producing wells on this lease this field (reservoir) including this | 1 | Distance to nearest well in lease & reservoir | 0.0 |
| Total number of acres in | 636.00 | Elevation | 3198 GL |
| Total depth TVD | 16495 | Total depth MD | |
| Plug back depth TVD | 15000 | Plug back depth MD | |
| Was directional survey made other inclination (Form W- | No | Rotation time within surface casing Is Cementing Affidavit (Form W-15) | Yes |
| Recompletion or | Yes | Multiple | No |
| Type(s) of electric or other log(s) | Gamma Ray (MWD) | | |
| Electric Log Other Description: | | | |
| Location of well, relative to nearest lease boundaries of lease on which this well is | 660.0 Feet from the | West Line and | Off Lease: No |
| | 660.0 Feet from the | North Line of the | |
| | | MEDICINE MAN Lease. | |

| FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO. | | | |
|---|---------------------|----------|--------------------|
| Field & Reservoir | Gas ID or Oil Lease | Well No. | Prior Service Type |
| | | | |

| ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. | | | |
|---|-----------------------|---|----------------------|
| Was hydraulic fracturing treatment | | No | |
| Is well equipped with a downhole actuation sleeve? No | | If yes, actuation pressure | |
| Production casing test pressure (PSIG) hydraulic fracturing | | Actual maximum pressure (PSIG) during fracturin | |
| Has the hydraulic fracturing fluid disclosure been | | No | |
| Ro | Type of Operation | Amount and Kind of Material Used | Depth Interval (ft.) |
| 1 | Fracture | 5000 GAL @ 7.5% ACID; 5000 GAL @ 15% ACID | 14557.0 14913.0 |
| 2 | Cast Iron Bridge Plug | CIBP SET WITH 20' CEMENT | 14980.0 15000.0 |

| FORMATION RECORD | | | | | |
|--|-------------------|------------------|-----------------|-------------------------------|----------------|
| <u>Formations</u> | <u>Encountere</u> | <u>Depth TVD</u> | <u>Depth MD</u> | <u>Is formation isolated?</u> | <u>Remarks</u> |
| DELAWARE | Yes | 5404.0 | | Yes | |
| BONE SPRING | Yes | 9416.0 | | Yes | |
| WOLFCAMP | Yes | 12556.0 | | Yes | |
| Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm | | | | | No |
| Is the completion being downhole commingled (SWR | | | | | No |

| REMARKS |
|--|
| SET PLUG @ 15000 FT. TO RECOMPLETE UPHOLE. ADDED NEW PERFS IN EXISTING ZONE. |

3

RRC REMARKS

PUBLIC COMMENTS:

CASING RECORD :

TUBING RECORD:

PRODUCING/INJECTION/DISPOSAL INTERVAL :

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :

SET A 4 1/2' CIBP WITH 20' CEMENT ON TOP. W15 FOR PLUG IS ATTACHED.

GAS MEASUREMENT DATE REMARK:

OPERATOR'S CERTIFICATION

| | | | |
|------------------|----------------|--------------|------------------------|
| Printed | Sarah Chapman | Title | Regulatory Coordinator |
| Telephone | (713) 350-4997 | Date | 08/24/2016 |

4



Production Reports

PR Queries Home New Lease ID's Built Query

Query Results Production by Lease

Current Operator: OXY USA INC. (630591)
Field: ARAPAHO (STRAWN)
Lease: MEDICINE MAN
Prod Month Range: Jan 2020 - Jan 2021

District: 08
RRC Identifier: 213078
Gas Well #: 1
Lease Type: Gas

[Return](#)

Showing: 1 - 12 of 13 results

| Oil/Condensate (Whole Barrels) | | | | | | | Gas/Casinghead Gas - MCF | | | |
|--------------------------------|----------------------|----------------------------|------------|-------------|------|----------------------|--------------------------|-------------|------|--|
| Prod Month | Commingle Permit No. | On Hand Beginning of Month | Production | Disposition | | On Hand End of Month | Formation Production | Disposition | | |
| | | | | Volume | Code | | | Volume | Code | |
| 01/2020 | 5936 | 411 | 777 | 681 | 01 | 507 | 21,906 | 21,906 | 02 | |
| 02/2020 | 5936 | 507 | 736 | 734 | 01 | 509 | 20,908 | 20,908 | 02 | |
| 03/2020 | 5936 | 509 | 663 | 929 | 01 | 243 | 21,276 | 21,276 | 02 | |
| 04/2020 | 5936 | 243 | 690 | 738 | 01 | 195 | 20,818 | 20,818 | 02 | |
| 05/2020 | 5936 | 195 | 752 | 743 | 01 | 204 | 22,037 | 22,037 | 02 | |
| 06/2020 | 5936 | 204 | 616 | 555 | 01 | 265 | 20,121 | 20,121 | 02 | |
| 07/2020 | 5936 | 265 | 656 | 731 | 01 | 190 | 19,514 | 19,514 | 02 | |
| 08/2020 | 5936 | 190 | 525 | 548 | 01 | 167 | 16,631 | 16,631 | 02 | |
| 09/2020 | 5936 | 167 | 465 | 370 | 01 | 262 | 14,496 | 14,496 | 02 | |
| 10/2020 | 5936 | 262 | 479 | 554 | 01 | 187 | 15,095 | 15,095 | 02 | |
| 11/2020 | 5936 | 187 | 608 | 552 | 01 | 243 | 19,841 | 19,841 | 02 | |
| 12/2020 | 5936 | 243 | 693 | 735 | 01 | 201 | 21,471 | 21,471 | 02 | |

[Return](#)

[\[Next > \]](#) | Page: 1 2 of 2

Lease Comments

none

5



Production Reports

PR Queries Home New Lease ID's Built Query

Query Results Production by Lease

| | | | |
|--------------------------|------------------------------|------------------------|---------------|
| Current Operator: | OXY USA INC. (630591) | District: | 08 |
| Field: | ARAPAHO (STRAWN) | RRC Identifier: | 213078 |
| Lease: | MEDICINE MAN | Gas Well #: | 1 |
| Prod Month Range: | Jan 2020 - Jan 2021 | Lease Type: | Gas |

Showing: 13 - 13 of 13 results

| Oil/Condensate (Whole Barrels) | | | | | | Gas/Casinghead Gas - MCF | | | |
|--------------------------------|----------------------|----------------------------|------------|-------------|------|--------------------------|----------------------|-------------|------|
| Prod Month | Commingle Permit No. | On Hand Beginning of Month | Production | Disposition | | On Hand End of Month | Formation Production | Disposition | |
| | | | | Volume | Code | | | Volume | Code |
| 01/2021 | 5936 | 201 | 525 | 550 | 01 | 176 | 17,226 | 17,226 | 02 |

[< Previous] | Page: 1 2 of 2

Lease Comments
none

[Disclaimer](#) | [RRC Online Home](#) | [RRC Home](#) | [Contact](#)

6



RAILROAD COMMISSION OF TEXAS

Form W-2

1701 N. Congress
 P.O. Box 12967
 Austin, Texas 78701-2967

Status: Approved
 Date: 03/31/2017
 Tracking No.: 161899

OIL WELL POTENTIAL TEST, COMPLETION OR RECOMPLETION REPORT,

| OPERATOR INFORMATION | | | |
|----------------------|--|----------|--------|
| Operator | EOG RESOURCES, INC. | Operator | 253162 |
| Operator | ATTN: PRODUCTION REGULATORY PO BOX 2267 MIDLAND, TX 79702-0000 | | |

| WELL INFORMATION | | | |
|--|--|--------------|--------------------|
| API | 42-301-32789 | County: | LOVING |
| Well No.: | 1H | RRC District | 08 |
| Lease | CONNIE MACK | Field | PHANTOM (WOLFCAMP) |
| RRC Lease | 48340 | Field No.: | 71052900 |
| Location | Section: 15, Block: C24, Survey: PSL/BRUNSON, G S, Abstract: 999 | | |
| Latitude | | Longitude | |
| This well is 22.8 miles in a NE direction from MENTONE, which is the nearest town in the | | | |

Docket # OG-21-06089
Titus Oil & Gas Prod., LLC
Date: April 13, 2021
Exhibit No. 12

| FILING INFORMATION | | | |
|--|-------------------|----------------------------|------------|
| Purpose of | Initial Potential | | |
| Type of | New Well | | |
| Well Type: | Producing | Completion or Recompletion | 09/08/2016 |
| Type of Permit | | Date | Permit No. |
| Permit to Drill, Plug Back, or Rule 37 Exception | | 11/13/2015 | 811938 |
| Fluid Injection | | | |
| O&G Waste Disposal | | | |
| Other: | | | |

| COMPLETION INFORMATION | | | |
|---|---------------------|--|---|
| Spud | 12/31/2015 | Date of first production after rig | 09/08/2016 |
| Date plug back, deepening, drilling operation | 12/31/2015 | Date plug back, deepening, recompletion, drilling operation | 01/23/2016 |
| Number of producing wells on this lease this field (reservoir) including this | 1 | Distance to nearest well in lease & reservoir | 0.0 |
| Total number of acres in | 645.06 | Elevation | 3207 GR |
| Total depth TVD | 12623 | Total depth MD | 17132 |
| Plug back depth TVD | 12614 | Plug back depth MD | 17130 |
| Was directional survey made other inclination (Form W- Yes | | Rotation time within surface casing Is Cementing Affidavit (Form W-15) | 144.5 Yes |
| Recompletion or | No | Multiple | No |
| Type(s) of electric or other log(s) | Gamma Ray (MWD) | | |
| Electric Log Other Description: | | | |
| Location of well, relative to nearest lease of lease on which this well is | 199.0 Feet from the | 679.0 Feet from the | Off Lease : No SE Line and SW Line of the CONNIE MACK Lease. |

| FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO. | | | |
|---|---------------------|----------|--------------------|
| Field & Reservoir | Gas ID or Oil Lease | Well No. | Prior Service Type |
| PACKET: | N/A | | |

| | | | |
|---|--------------|-------|------------------------|
| W2: | N/A | | |
| FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY: | | | |
| GAU Groundwater Protection Determination | Depth | 500.0 | Date 11/13/2015 |
| SWR 13 Exception | Depth | | |

| INITIAL POTENTIAL TEST DATA FOR NEW COMPLETION OR RECOMPLETION | | | |
|--|------------|------------------------------|---------|
| Date of | 09/12/2016 | Production | Flowing |
| Number of hours | 24 | Choke | 64/64 |
| Was swab used during this | No | Oil produced prior to | 2726.00 |
| PRODUCTION DURING TEST PERIOD: | | | |
| Oil | 1078.00 | Gas | 608 |
| Gas - Oil | 564 | Flowing Tubing | 6110.00 |
| Water | 6187 | | |
| CALCULATED 24-HOUR RATE | | | |
| Oil | 1078.0 | Gas | 608 |
| Oil Gravity - API - 60.: | 44.0 | Casing | 1092.00 |
| Water | 6187 | | |

| CASING RECORD | | | | | | | | | | | |
|---------------|-----------------------|--------------------------|------------------|----------------------|---------------------------|---------------------------|---------------------|---------------------|----------------------------|----------------------------|--------------------------|
| <u>Ro</u> | <u>Type of Casing</u> | <u>Casing Size (in.)</u> | <u>Hole Size</u> | <u>Setting Depth</u> | <u>Multi - Stage Tool</u> | <u>Multi - Stage Shoe</u> | <u>Cement Class</u> | <u>Cement Amoun</u> | <u>Slurry Volume (cu.)</u> | <u>Top of Cement (ft.)</u> | <u>TOC Determined By</u> |
| 1 | Surface | 10 3/4 | 14 3/4 | 685 | | | C | 535 | 820.0 | 0 | Circulated to Surface |
| 2 | Intermediate | 7 5/8 | 9 7/8 | 10930 | | | TXI & H | 861 | 2699.0 | 2900 | Calculation |
| 3 | Tapered Production | 5 1/2 | 6 3/4 | 17130 | | | H | 710 | 923.0 | 9750 | Calculation |
| 4 | Tapered Production | 5 | 6 3/4 | 17130 | | | H | 710 | 923.0 | 9750 | Calculation |

| LINER RECORD | | | | | | | | | |
|--------------|-------------------|------------------|------------------|---------------------|---------------------|---------------------|----------------------------|----------------------------|-----------------------|
| <u>Ro</u> | <u>Liner Size</u> | <u>Hole Size</u> | <u>Liner Top</u> | <u>Liner Bottom</u> | <u>Cement Class</u> | <u>Cement Amoun</u> | <u>Slurry Volume (cu.)</u> | <u>Top of Cement (ft.)</u> | <u>TOC Determined</u> |
| N/A | | | | | | | | | |

| TUBING RECORD | | | |
|---------------|-------------------|-------------------------|--------------------------------|
| <u>Ro</u> | <u>Size (in.)</u> | <u>Depth Size (ft.)</u> | <u>Packer Depth (ft.)/Type</u> |
| 1 | 2 7/8 | 11072 | 11042 / AS1X |

| PRODUCING/INJECTION/DISPOSAL INTERVAL | | | |
|---------------------------------------|-------------------|-------------------|-----------------|
| <u>Ro</u> | <u>Open hole?</u> | <u>From (ft.)</u> | <u>To (ft.)</u> |
| 1 | No | L1 12864 | 17012.0 |

| ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. | | | |
|---|--------------------------|--|-----------------------------|
| Was hydraulic fracturing treatment | | Yes | |
| Is well equipped with a downhole sleeve? | | No | |
| | | If yes, actuation pressure | |
| Production casing test pressure (PSIG) during hydraulic fracturing | | Actual maximum pressure (PSIG) during fracturin | |
| 11510 | | 11000 | |
| Has the hydraulic fracturing fluid disclosure been | | Yes | |
| Ro | Type of Operation | Amount and Kind of Material Used | Depth Interval (ft.) |
| 1 | Fracture | 9,773,290 LBS PROPPANT; 528 BBLs ACID; 204,502 BBLs TOTAL LOAD | 12864 17012 |

| FORMATION RECORD | | | | | |
|---|-------------------|------------------|-----------------|---------------------|----------------------------|
| <u>Formations</u> | <u>Encountere</u> | <u>Depth TVD</u> | <u>Depth MD</u> | <u>Is formation</u> | <u>Remarks</u> |
| RED BLUFF | No | | | No | GEOLOGICALLY NOT PRESENT |
| BELL CANYON | Yes | 5369.0 | 5369.0 | Yes | |
| BRUSHY CANYON | Yes | 7983.0 | 7983.0 | Yes | |
| DELAWARE | Yes | 5369.0 | 5369.0 | Yes | SAME AS TOP OF BELL CANYON |
| CHERRY CANYON | Yes | 6420.0 | 6420.0 | Yes | |
| BONE SPRINGS | Yes | 9267.0 | 9267.0 | Yes | |
| WOLFCAMP | Yes | 12483.0 | 12587.0 | Yes | TARGET |
| PENNSYLVANIAN | No | | | No | BELOW TD |
| STRAWN | No | | | No | BELOW TD |
| ATOKA - HIGH PRESSURE | No | | | No | BELOW TD |
| MORROW | No | | | No | BELOW TD |
| DEVONIAN | No | | | No | BELOW TD |
| FUSSELMAN | No | | | No | BELOW TD |
| ELLENBURGER | No | | | No | BELOW TD |
| Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm | | | | | No |
| Is the completion being downhole commingled | | | | | No |

REMARKS

KOP @ 12,157' MD.

RRC REMARKS

PUBLIC COMMENTS:

[RRC Staff 2017-01-23 11:10:19.127] EDL=4148 feet, max acres=640, PHANTOM (WOLFCAMP) oil or gas well

CASING RECORD :

THE 5 1/2" AND 5" PRODUCTION STRING IS A TAPERED CASING THAT SHARES THE SAME W-15 CEMENTING JOB. CROSSOVER IS AT 11,144'.

TUBING RECORD:

PRODUCING/INJECTION/DISPOSAL INTERVAL :

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :

POTENTIAL TEST DATA:

OPERATOR'S CERTIFICATION

| | | | |
|------------------|------------------|---------------|------------|
| Printed | Robert Humphreys | Title: | |
| Telephone | (432) 686-3693 | Date | 01/16/2017 |

4



RAILROAD COMMISSION OF TEXAS

Form W-2

1701 N. Congress
 P.O. Box 12967
 Austin, Texas 78701-2967

Status: Approved
 Date: 04/04/2018
 Tracking No.: 184979

OIL WELL POTENTIAL TEST, COMPLETION OR RECOMPLETION REPORT,

| OPERATOR INFORMATION | | | |
|----------------------|---|----------|--------|
| Operator | RSP PERMIAN, LLC | Operator | 732224 |
| Operator | 1CC 600 W ILLINOIS AVE MIDLAND, TX 79701-0000 | | |

| WELL INFORMATION | | | |
|--|--|--------------|--------------------|
| API | 42-301-33032 | County: | LOVING |
| Well No.: | 2H | RRC District | 08 |
| Lease | PISTOL 24-24 | Field | PHANTOM (WOLFCAMP) |
| RRC Lease | 49428 | Field No.: | 71052900 |
| Location | Section: 24, Block: C24, Survey: PSL/RUSSELL, W B, Abstract: 912 | | |
| Latitude | | Longitud | |
| This well is 22 miles in a NE direction from MENTONE, which is the nearest town in the | | | |

Docket # OG-21-06089
Titus Oil & Gas Prod., LLC
Date: April 13, 2021
Exhibit No. 13

| FILING INFORMATION | | | |
|--|-------------------|----------------------------|-------------------|
| Purpose of | Initial Potential | | |
| Type of | New Well | | |
| Well Type: | Producing | Completion or Recompletion | 08/28/2017 |
| <u>Type of Permit</u> | | <u>Date</u> | <u>Permit No.</u> |
| Permit to Drill, Plug Back, or Rule 37 Exception | | 10/14/2016 | 818911 |
| Fluid Injection | | | |
| O&G Waste Disposal | | | |
| Other: | | | |

| COMPLETION INFORMATION | | | |
|---|------------------------------------|---|---|
| Spud | 01/20/2017 | Date of first production after rig | 08/28/2017 |
| Date plug back, deepening, drilling operation | 02/17/2017 | Date plug back, deepening, recompletion, drilling operation | 05/14/2017 |
| Number of producing wells on this lease this field (reservoir) including this | 2 | Distance to nearest well in lease & reservoir | 3313.0 |
| Total number of acres in | 640.00 | Elevation | 3205 GR |
| Total depth TVD | 12817 | Total depth MD | 17512 |
| Plug back depth TVD | | Plug back depth MD | |
| Was directional survey made other inclination (Form W-) | Yes | Rotation time within surface casing | 48.0 |
| Recompletion or | No | Is Cementing Affidavit (Form W-15) | Yes |
| Type(s) of electric or other log(s) | Combo of Induction/Neutron/Density | | |
| Electric Log Other Description: | | | |
| Location of well, relative to nearest lease of lease on which this well is | 200.0 Feet from the | Off Lease : | No |
| | 375.0 Feet from the | North Line and | |
| | | East Line of the | |
| | | PISTOL 24-24 Lease. | |
| FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO. | | | |
| | <u>Field & Reservoir</u> | <u>Gas ID or Oil Lease</u> | <u>Well No.</u> <u>Prior Service Type</u> |
| PACKET: | N/A | | |

W2: N/A

FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY:

GAU Groundwater Protection Determination Depth 500.0 Date 10/03/2016
 SWR 13 Exception Depth

INITIAL POTENTIAL TEST DATA FOR NEW COMPLETION OR RECOMPLETION

| | | | |
|---------------------------------------|------------|-----------------------|----------|
| Date of | 08/30/2017 | Production | Flowing |
| Number of hours | 24 | Choke | 36/64 |
| Was swab used during this | No | Oil produced prior to | 43496.00 |
| PRODUCTION DURING TEST PERIOD: | | | |
| Oil | 374.00 | Gas | 474 |
| Gas - Oil | 1267 | Flowing Tubing | 240.00 |
| Water | 1155 | | |
| CALCULATED 24-HOUR RATE | | | |
| Oil | 374.0 | Gas | 474 |
| Oil Gravity - API - 60.: | 43.3 | Casing | 0.00 |
| Water | 1155 | | |

CASING RECORD

| Ro | Type of Casing | Casing Hole Size (in.) | Hole Size | Setting Depth | Multi - Stage Tool | Multi - Stage Shoe | Cement Class | Cement Amount | Slurry Volume (cu.) | Top of Cement (ft.) | TOC Determined By |
|----|-------------------------|------------------------|-----------|---------------|--------------------|--------------------|--------------|---------------|---------------------|---------------------|-----------------------|
| 1 | Surface | 13 3/8 | 17 1/2 | 526 | | | C | 495 | 784.0 | 0 | Circulated to Surface |
| 2 | Intermediate | 9 5/8 | 12 1/4 | 5374 | | | C | 1245 | 3307.0 | 0 | Circulated to Surface |
| 3 | Conventional Production | 7 | 8 3/4 | 13005 | | | P-110 | 870 | 2192.0 | 5374 | Calculation |

LINER RECORD

| Ro | Liner Size | Hole Size | Liner Top | Liner Bottom | Cement Class | Cement Amount | Slurry Volume (cu.) | Top of Cement (ft.) | TOC Determined |
|----|------------|-----------|-----------|--------------|--------------|---------------|---------------------|---------------------|----------------|
| 1 | 6 1/8 | 4 1/2 | 11289 | 17502 | H | 275 | 723.0 | 1300 5 | Calculation |

TUBING RECORD

| Ro | Size (in.) | Depth | Size (ft.) | Packer Depth (ft.)/Type |
|----|------------|-------|------------|-------------------------|
| 1 | 2 7/8 | 11289 | | / |

PRODUCING/INJECTION/DISPOSAL INTERVAL

| Ro | Open hole? | From (ft.) | To (ft.) |
|----|------------|------------|----------|
| 1 | No | L1 13029 | 17380.0 |

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC.

| | | | |
|---|--------------------------|---|-----------------------------|
| Was hydraulic fracturing treatment | Yes | | |
| Is well equipped with a downhole sleeve? | No | | |
| Production casing test pressure (PSIG) hydraulic fracturing | 8000 | | |
| Actual maximum pressure (PSIG) during fracturing | 8777 | | |
| Has the hydraulic fracturing fluid disclosure been | Yes | | |
| Ro | Type of Operation | Amount and Kind of Material Used | Depth Interval (ft.) |

2

1 Fracture TLTR - 211,214 BBLS; 100 MESH - 11,084,020 LBS; ACID - 13029 17380
1,985.5 BBLS

FORMATION RECORD

| <u>Formations</u> | <u>Encountere</u> | <u>Depth TVD</u> | <u>Depth MD</u> | <u>Is formation</u> | <u>Remarks</u> |
|-----------------------|-------------------|------------------|-----------------|---------------------|-----------------------------|
| RED BLUFF | Yes | 3900.0 | 3900.0 | Yes | ENCOUNTERED - NOT LOGGED |
| BELL CANYON | Yes | 5423.0 | 5423.0 | Yes | |
| BRUSHY CANYON | Yes | 7895.0 | 7898.0 | Yes | |
| DELAWARE | Yes | 6500.0 | 6500.0 | Yes | ENCOUNTERED - NOT LOGGED |
| CHERRY CANYON | Yes | 6297.0 | 6298.0 | Yes | |
| BONE SPRINGS | Yes | 9331.0 | 9333.0 | Yes | |
| WOLFCAMP | Yes | 12565.0 | 12623.0 | Yes | |
| PENNSYLVANIAN | No | | | No | BELOW TVD - NOT ENCOUNTERED |
| STRAWN | No | | | No | BELOW TVD - NOT ENCOUNTERED |
| ATOKA - HIGH PRESSURE | No | | | No | BELOW TVD - NOT ENCOUNTERED |
| MORROW | No | | | No | BELOW TVD - NOT ENCOUNTERED |
| DEVONIAN | No | | | No | BELOW TVD - NOT ENCOUNTERED |
| FUSSELMAN | No | | | No | BELOW TVD - NOT ENCOUNTERED |
| ELLENBURGER | No | | | No | BELOW TVD - NOT ENCOUNTERED |

Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm Yes

Is the completion being downhole commingled No

REMARKS

KOP = 12060 MD/ 12057 TVD

31

RRC REMARKS

PUBLIC COMMENTS:

[RRC Staff 2018-01-10 10:13:35.902] EDL=4351 feet, max acres=640, PHANTOM (WOLFCAMP) oil or gas well

CASING RECORD :

TUBING RECORD:

PRODUCING/INJECTION/DISPOSAL INTERVAL :

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :

POTENTIAL TEST DATA:

OPERATOR'S CERTIFICATION

| | | | |
|------------------|----------------|---------------|--------------------|
| Printed | Adela Molina | Title: | Regulatory Analyst |
| Telephone | (432) 818-1367 | Date | 03/27/2018 |

4

RAILROAD COMMISSION OF TEXAS

TUESDAY, APRIL 13, 2021

REPORTED BY: WILLIAM C. BEARDMORE, CSR

APPEARANCES

FOR TITUS OIL & GAS PRODUCTION, LLC:

Mr. George Neale
ATTORNEYS
1601 Rio Grande Street, Suite 335
Austin, Texas 78767-1945
512.477.1976
512.477.1907 (Fax)

FOR COMMISSION STAFF:

Ms. Jessica H. Mendoza
Staff Attorney
Office of General Counsel - Enforcement
1701 N. Congress
Austin, Texas 78711-2967
512.463.3176
jessica.mendoza@rrc.texas.gov

BEFORE THE
RAILROAD COMMISSION OF TEXAS

REQUEST BY TITUS OIL & GAS) OIL & GAS DOCKET NO.
PRODUCTION, LLC (OPERATOR NO.) OG-21-00006089
800622) TO CONTEST DRILLING)
PERMITS UNIT DENIAL OF)
ADMINISTRATIVE APPROVAL FOR THE EL)
CAMPEON FED COM LEASE, WELL NO.)
404H, PHANTOM (WOLFCAMP) FIELD,)
LOVING COUNTY, TEXAS; DISTRICT 08)

ALJ: EZRA JOHNSON
TECHNICAL EXAMINER: AUSTIN GASKAMP

BE IT REMEMBERED THAT THE ABOVE-CAPTIONED
matter came on for hearing at approximately 1:32 p.m. on
the 13th day of April 2021 and was reported by William
C. Beardmore, Certified Shorthand Reporter in and for
the State of Texas, reported remotely by computerized
stenotype via Zoom audio/video at my office in
Georgetown, Texas, 78633.

TABLE OF CONTENTS

PROCEEDINGS, APRIL 13, 2021 6
OPENING STATEMENT BY APPLICANT 8
OPENING STATEMENT BY COMMISSION STAFF 9
DIRECT CASE BY APPLICANT 10
RICK JOHNSTON
Direct - Neale 10
PROCEEDINGS CONCLUDED 42
REPORTER'S CERTIFICATE 43

EXHIBIT A-8
Titus Oil & Gas Production, LLC
NMOCD Case No. 21872
JUNE 17, 2021

EXHIBIT INDEX

| APPLICANT (TITUS) | MARKED | ADMITTED |
|---|--------|----------|
| 1. Notice of Hearing | 6 | 23 |
| 2. Drilling Schematic | 6 | 23 |
| 3. Form W-1, "As Submitted" | 6 | 23 |
| 4. Lorenzo Garza 3/5/2021 Memo | 6 | 23 |
| 5. Form W-1, "Pending Approval" | 6 | 23 |
| 6. Well Plat, Campeon FED COM # 404H | 6 | 23 |
| 7. Phantom (Wolfcamp) Field Rule Printout | 6 | 23 |
| 8. Allocation Comparison | 6 | 23 |
| 9. Application for Allocation Order, New Mexico | 6 | 23 |
| 10. Base Map | 6 | 23 |
| 11. Form G-1, OXY - Medicine Man # 1 | 6 | 23 |
| 12. Form W-2, EOG - Connie Mack # 1H | 6 | 23 |
| 13. Form W-2, RSP - Pistol 24-24 # 2H | 6 | 23 |
| 14. (Possible document submission if warranted) | 41 | N.O. |

N.O. = Not Offered

1 Jones. He's the Vice President of Land. We also have
2 Rick Johnston. He's a local consulting PE, as you know,
3 and, finally, we have Sharon Shaheen. Sharon is an
4 expert in New Mexico Oil & Gas, Regulatory, and so we
5 thought we would have her available in case Staff had
6 any questions about the New Mexico side of this process.
7 Thank you.

8 JUDGE JOHNSON: Thank you. And for Staff?
9 MS. MENDOZA: Yes, sir. Jessica Mendoza,
10 Office of General Counsel representing the Oil & Gas
11 Division of the Railroad Commission of Texas, and then
12 with me is Lorenzo Garza, Deputy Assistant Director, for
13 the Administrative Compliance section of the Oil & Gas
14 Division.

15 JUDGE JOHNSON: Thank you. And I believe
16 we have some observers with us today.

17 MR. NEALE: Go ahead, Melissa. I didn't
18 mean to interrupt you.

19 MS. FLACK: That's okay. My name is
20 Melissa Flack. I work for Oxy. There were three other
21 people from Oxy that were going to attend, but they had
22 conflicting schedules. So they will not be attending.

23 MR. NEALE: And then, Judge Johnson, Will
24 Tindol, he's an engineer employed by Titus.
25 JUDGE JOHNSON: All right. Very good.

PROCEEDINGS

APRIL 13, 2021

(1:32 p.m.)

(Exhibit Applicant Nos. 1-13 marked)

JUDGE JOHNSON: It is 1:32 p.m. on

April 13, 2021. For the record my name is Ezra Johnson,
Administrative Law Judge, and with me today is Technical
Examiner, Mr. Austin Gaskamp.

We are here to consider Oil and Gas Docket
No. OG-21-0000 -- all right. Let's go off the record
for a second.

(Brief pause off the record)

JUDGE JOHNSON: We're back on the record.

My apologies. Again, this is Docket No. OG-21-00006089,
Request by Titus Oil & Gas Production, LLC to Contest
Drilling Permit Unit Denial of Administrative Approval
for the El Campeon FED Com Lease, Well No. 404H, Phantom
(Wolfcamp) Field in Loving County, Texas, District 08.
Would all of those persons who are appearing here today
in this matter please begin by making an oral appearance
for the record?

We will start with the Applicant, Titus
Oil & Gas Production, LLC.

MR. NEALE: Yes, sir, Judge. Thank you.

For the Applicant, George Neale. With me we have Walter

1 Thank you. If you anticipate offering testimony today
2 in today's hearing would you please raise your right
3 hand?

4 (Rick Johnston, Walt Jones and Sharon
5 Shaheen, proposed witnesses, were sworn)

6 JUDGE JOHNSON: Thank you. You are sworn.
7 All right. Before -- well, perhaps I shouldn't do that.
8 Perhaps I should just turn the matter over to the
9 Applicant. And, Mr. Neale, do you have an opening
10 statement for us?

11 MR. NEALE: Yes, sir, just very brief.

12 OPENING STATEMENT BY TITUS OIL & GAS PRODUCTION, LLC

13 MR. NEALE: So if you will see through our
14 testimony of Mr. Johnston and Mr. Jones, this is an
15 application that's going to be -- the surface -- for a
16 well with a surface location in New Mexico. It's going
17 to be a horizontal well.

18 It's going to have producible open
19 interval both on the New Mexico and the Texas side of
20 the state line, and it's going to be a bottomhole, a
21 terminus is going to be in Texas.

22 We have 13 exhibits that have been
23 submitted. This is an application of, I think, first
24 impression. And so, therefore, I -- and I don't want to
25 speak for Ms. Mendoza, but I think she'll tell you that

1 the idea here was to have this hearing so that when
2 there are subsequent similar applications they might be
3 available for administrative approval as opposed to
4 approval via a hearing. Thank you.

5 JUDGE JOHNSON: Ms. Mendoza, any
6 follow-up?

7 MS. MENDOZA: Yes, sir.

8 OPENING STATEMENT BY COMMISSION STAFF

9 MS. MENDOZA: It's just that, as Mr. Neale
10 said, this is, in our understanding, a case of first
11 impression, and so we believe that this is a policy
12 determination to be put properly before the
13 Commissioners and not something that Staff can approve
14 administratively.

15 It is Staff's intent that if the
16 Commission does approve this particular application that
17 we will reach out to our counterpart in New Mexico,
18 NMOCD, the New Mexico Oil Conservation Division, and
19 enter into some sort of either memorandum of
20 understanding or other similar agreement to work out the
21 practical aspects and procedural aspects of coordinating
22 the drilling and completing and producing and all the
23 sort of practical implications that go along with well
24 producing from both Texas and New Mexico.

25 JUDGE JOHNSON: Very good. Thank you.

1 Well, I have many questions, but I suspect the best
2 thing to do is to save them until the end of the
3 Applicant's presentation. So I will turn the matter
4 over to Mr. Neale to begin doing that.

5 MR. NEALE: All right. Thank you, sir.
6 So our first witness is going to be Mr. Rick Johnston.

7 DIRECT CASE BY TITUS OIL & GAS PRODUCTION, LLC

8 RICK JOHNSTON,

9 having been first duly sworn, testified as follows:

10 DIRECT EXAMINATION

11 BY MR. NEALE:

12 Q So why don't you state your name for the
13 record, sir.

14 A My name is Rick Johnston.

15 Q So, Mr. Johnston, you have been employed as a
16 consultant on behalf of Titus in order to help
17 facilitate the presentation of this application to the
18 Railroad Commission?

19 A Correct.

20 Q And you prepared some exhibits -- I think 13 in
21 number -- that have been submitted to the Railroad
22 Commission, and I believe you're prepared to share the
23 screen as we go through those exhibits. Is that
24 correct?

25 A Yes.

1 MR. NEALE: And if it's all right with
2 you, Judge Johnson, we're ready to go to our first
3 exhibit.

4 JUDGE JOHNSON: Please do.

5 Q (BY MR. NEALE) All right. Let's start with
6 our first exhibit, please, Mr. Johnston.

7 A Can everybody see the exhibits?

8 Q Yes, sir.

9 JUDGE JOHNSON: Yes.

10 A Okay. Exhibit No. 1 is the notice of hearing
11 for this hearing. It basically lays out that we are
12 seeking approval of the drilling permit for the El
13 Campeon Fed Com, Well No. 404H in the Phantom (Wolfcamp)
14 Field. The Appendix A to the application lays out that
15 we're requesting a drilling permit. I guess in
16 discussions with the Staff -- Railroad Commission
17 staff -- we originally asked for a Rule 10 exception.
18 In discussions with Staff they've indicated that they
19 really don't think we need one of those.

20 The third item in the Appendix A was that
21 we were seeking a Rule 37 exception because we want to
22 be able to perforate this well all the way up against
23 the state line which is closer than the 100-foot
24 setback. So it would require a Rule 37 because of that.

25 Notice was given to the proper parties.

1 We gave notice to the NMOCD, the BLM.

2 Oxy has gotten -- well, they are not on
3 the notice list, but they are here at the hearing. Oxy
4 controls the acreage in Texas. Titus controls the
5 acreage in New Mexico.

6 So as far as the Rule 37 goes, proper
7 notice as to the Rule 37 would be to Titus who is the
8 Applicant.

9 Q (BY MR. NEALE) Okay. All right. So let's
10 proceed with your Exhibit 2, please.

11 A Exhibit No. 2 is a schematic showing what is
12 planned, and that is to have the surface location of
13 this well up in New Mexico drill a horizontal well that
14 will be landed in the Wolfcamp formation, drill it south
15 across the state line into Texas.

16 Well No. 404 is going to be in this
17 easterly-most slot if this is approved. The plan is to
18 have four different slots, and the plan is to end up
19 with stacked lateral wells in each one of these slots.

20 The applicable field down here in Texas is
21 Phantom (Wolfcamp). And, again, this application deals
22 with the easterly-most slot, Well No. 404H.

23 Q But you do know, do the not, Mr. Johnston, that
24 there are plans to drill additional wells if this
25 application is approved?

1 A Yes.

2 Q Okay. All right. So let's move on to our

3 Exhibit 3, please.

4 A Exhibit No. 3 is a copy of the Railroad

5 Commission Form W-1 as submitted by Titus.

6 You can see it was submitted back on

7 February 22nd and it's got the notation as submitted.

8 It showed a surface location one foot inside the state

9 of Texas, and there are a couple of errors. It's not

10 Abstract 912. I believe it's Abstract 701 and it's

11 Section 25, but this is the as-submitted W-1.

12 Q And we're going to have another Form W-1 which

13 is the current Form W-1. Is that correct?

14 A Yes, sir.

15 Q Okay. So let's move on to our next exhibit,

16 Exhibit 4, please.

17 A Exhibit No. 4 is a memo signed by Lorenzo Garza

18 wherein he is sending the -- this drilling permit

19 application up to Dana Lewis in the Hearings Division to

20 set the thing for hearing.

21 He's describing that the well is to be a

22 horizontal well to be drilled with a surface location in

23 New Mexico down into Texas, and that Staff does not feel

24 this application can be administratively approved and

25 that the Applicant wishes to go forward, and that's the

1 subject of this hearing. This is what's precipitated

2 this hearing.

3 Q Now, it's clear from this letter and Commission

4 practice that across lease lines well have been

5 permitted and drilled before. Isn't that correct,

6 Mr. Johnston?

7 A In this day and time very common. Yes.

8 Q It's just that this one is different in that

9 the producing interval is going to be open on both sides

10 of the state line. Is that right?

11 A This well, if approved and drilled and

12 completed, will produce from both lands in New Mexico

13 and lands in Texas both.

14 To our knowledge this is the -- if this

15 well is drilled and completed this will be the first

16 time this is done between Texas and New Mexico.

17 Q All right. So let's move on to the current W-1

18 which you've marked as Applicant's Exhibit 5, please.

19 A Okay. Exhibit No. 5 is the Form W-1 with the

20 notation pending approval. There have been a number of

21 changes made to this Form W-1 as a result of

22 conversations that Mr. Neale and I have had with

23 Mr. Garza.

24 The surface location is now described as

25 being up in New Mexico with the calls as to the actual

1 surface location up in New Mexico.

2 The number of acres has been changed to

3 just the number of acres that are down in Texas, which

4 is 49.2.

5 And, again, the field is Phantom

6 (Wolfcamp). And then there's a comment that's been

7 added to the W-1 that describes that this is going to be

8 a well with a surface location in Lee County, New

9 Mexico.

10 And when the well was mapped into the

11 Commission's GIS system the surface location of the well

12 will appear to be on the boundary line between the two

13 states, and it will just show that surface location down

14 to the terminus point in the Railroad Commission GIS

15 system, only in the state of Texas.

16 And then the fourth page of this exhibit

17 is the P-16 that shows that 49.2 acres will be assigned

18 to this well 404H. This is the way Mr. Garza requested

19 that the P-16 be filled out.

20 Q Okay. Let's move on to the surveyor's map.

21 We've marked that as Exhibit 6.

22 A Exhibit No. 6 is the well location plat that's

23 been filed with the Commission that accompanies the

24 pending approval Form W-1.

25 It shows the surface location of the well

1 up in New Mexico. The well will be drilled across the

2 state line into Texas.

3 And then it shows that the total acreage

4 in the proposed proration unit will be 282.84 acres over

5 along the lower right-hand margin of the plat in the

6 block titled Called Acreage Totals.

7 Tract 3 is the tract that's in Texas and

8 you can see that it's 49.2 acres. You can -- oops --

9 you can also see that the tract in Texas, Section 25, is

10 an unusually-shaped tract of land.

11 I believe it includes 636 acres, but it's

12 not a normal section.

13 Q And we're going to have some testimony on the

14 fact that in order to properly develop this sort of

15 lay-down triangle the predominant direction of the

16 drilling being north-south it would be difficult to

17 develop this tract without approval of this application.

18 Correct?

19 A Right. The stress is in the rock in the

20 Delaware Basin in this area are such that when you frac

21 a well the orientation of the fracs is east-west.

22 So when you drill these horizontal wells

23 you want to drill such that your -- the orientation of

24 the wellbore is perpendicular to how the fractures are

25 going to be created in the formation.

1 So with that in mind the wells need to be
2 drilled more south, and this being an unusual shaped
3 section it's not conducive to just drill little short
4 laterals.

5 They would be considered uneconomic. They
6 wouldn't be drilled.

7 Q And so is it safe to conclude, Mr. Johnston,
8 that in order for this tract to be developed it needs to
9 be drilled with a north-south pattern similar to what's
10 being proposed here today?

11 A Yes.

12 Q Okay. So let's move over to our next exhibit,
13 please, Exhibit 7. Identify this for the record, sir.

14 A Exhibit No. 7 is just a printout of the field
15 rules for the Phantom (Wolfcamp) Field.

16 The first point that we want to make is
17 that the current field rules allow for 320-acre units
18 with optional 20s, meaning you can assign acreage to a
19 well ranging from 320 acres all the way down to
20 20 acres.

21 With us assigning 49.2 acres on the Texas
22 side it does not require a Rule 38 exception. This is a
23 UFT field; so allowable issues will not come into play.

24 And then the spacing is 330, zero between
25 well, and then it has a first and last take-point rule

1 Correct, Mr. Johnston?

2 A Yes.

3 Q So let's move on to Exhibit 9, please.

4 A Exhibit 9 is a copy of an application that has
5 been filed with the state of New Mexico Department of
6 Energy Minerals and Natural Resources Oil Conservation
7 Division, NMOCD.

8 This is an application for an order
9 approving the production allocation of minerals in the
10 Wolfcamp formation, and this WC-025 G-09S263619C, as I
11 understand it, is the name of the field in New Mexico.

12 It goes on and talks about Titus being the
13 sole working interest owner in New Mexico. Occidental
14 Petroleum is the sole working interest owner in Texas.

15 And then Item 5 says that production will
16 be allocated to New Mexico and Texas prorated on the
17 basis of surface acreage in the proration unit or in any
18 other manner mutually acceptable to the Division and the
19 Railroad Commission of Texas.

20 So this application has been filed and
21 it's working its way through the NMOCD as I understand
22 it.

23 Q And then on Page 3 we see that Sharon Shaheen
24 is the one who submitted this to the New Mexico agency?

25 A Yes.

1 of a hundred feet.

2 That's why we need a Rule 3837 so we don't
3 have to leave the hundred-foot buffer on the south side
4 of the state line which represents the property
5 boundary.

6 Q And like you mentioned earlier, if a Rule 37 is
7 required for this well the only party that would be
8 required to be provided notice is the Applicant.
9 Correct?

10 A Yes, Titus Oil & Gas. That's right.

11 Q Okay. So let's move on to Exhibit 8 which
12 talks about the allocation of the production.

13 A Okay. Exhibit 8 is a table that was put
14 together by, I believe, the surveyor or perhaps somebody
15 at Titus, and what it does it is goes in and compares
16 the allocation based on surface acres and then also on
17 completed lateral length.

18 And you can see that either way you do it
19 the numbers are quite comparable. My understanding is
20 that -- indications are thus far that New Mexico would
21 lean in the direction of a surface acreage allocation.
22 So I believe that's the direction we're headed right
23 now.

24 Q Because it's going to be important that the
25 allocation be the same on both sides of the state line.

1 MR. NEALE: And she, Judge Johnson, is on
2 Zoom with us for questions that may arise on this
3 subject.

4 Q (BY MR. NEALE) So let's move on to our next
5 exhibit which is Exhibit No. 10, please.

6 A Okay.

7 Q Identify this for the record, sir.

8 A Exhibit No. 10 is a map that put together
9 showing Section 25 and a couple of sections up in New
10 Mexico that the well will be drilled through.

11 The red line on Exhibit No. 10 is my
12 estimation of the surface location and the path of the
13 well that will be drilled, and that is the red line.

14 The other purpose of this map is to show
15 that Section 25, again, is an odd-shaped section, and to
16 also show that there has already been development
17 started in the sections below.

18 With that development already having been
19 started it potentially leads one to believe that this
20 Section 25 if it's not developed from wells up in New
21 Mexico that this will end up being not developed. It
22 will just be an undeveloped island.

23 Q And if it's not developed, Mr. Johnston, do you
24 have an opinion as to whether or not there will be
25 hydrocarbon reserves that otherwise could be recovered

1 that will not be recovered?
 2 **A The hydrocarbons won't be developed and they**
 3 **will be wasted. The problem is, you have a well in**
 4 **Section 24 with a surface location here, and it's**
 5 **already been drilled and producing. So it's already**
 6 **started the development pattern.**
 7 **And then you have this well over in**
 8 **Section 15 that's been drilled from a pad to the south**
 9 **up to the north, and it did not enter into this acreage.**
 10 **So the development that's already been**
 11 **initiated in the area is leaving this acreage out. And**
 12 **then the next couple of exhibits I'm going to present**
 13 **the completion papers for the one well that is located**
 14 **on Section 25. This is an Oxy well.**
 15 **Then I'm going to present the completion**
 16 **papers for this EOG well and for this RSP well which are**
 17 **the two wells that have done the development down to the**
 18 **south and not included this acreage.**
 19 **Q Okay. So let's move to Exhibit No. 11, please.**
 20 **A Exhibit No. 11 is the Oxy well that is located**
 21 **on Section 25. It's the Medicine Man No. 1.**
 22 **You can see it's completed in the Arapaho**
 23 **Strawn. It was completed there in 2016 -- oops -- and**
 24 **you can see it has perforations down at 14,557 to 14913.**
 25 **So this is completed down below the Wolfcamp.**

1 **It is a pretty good well. I just printed**
 2 **out the most recent portion of the production history,**
 3 **and you can see it's pretty steadily producing about**
 4 **20,000 Mcf a month and about 6- or 700 barrels of**
 5 **condensate a month.**
 6 **So I would expect that this well is**
 7 **holding the Oxy acreage.**
 8 **Q Let's go to the next well which we've marked as**
 9 **Exhibit 12, please.**
 10 **A The next well is the EOG Resources Connie Mack**
 11 **No. 1H. This well was completed in the Phantom**
 12 **(Wolfcamp) Field. The TD of this well is 12,623 which**
 13 **is where the Wolfcamp is located, or at least that's**
 14 **where this well landed.**
 15 **This well's potential is for 1,078 barrels**
 16 **of oil a day, along with 6,000 barrels of water, but**
 17 **that's a pretty good well, 1,078 barrels a day.**
 18 **Q All right.**
 19 **A And then Exhibit 13 is the Form W-2 for the RSP**
 20 **Permian, Pistol 24-24 No. 2H. This well was completed**
 21 **in the Phantom (Wolfcamp). It's been producing since**
 22 **2017. It has 640 acres assigned to it.**
 23 **Well -- and, again, it's landed at a depth**
 24 **of roughly 12,800 feet. It potential for 374 barrels**
 25 **of water -- excuse me -- 374 barrels of oil and day and**

1 **1155 barrels of water.**
 2 **MR. NEALE: So that -- Judge Johnson, that**
 3 **concludes our direct testimony and exhibits from**
 4 **Mr. Johnston. Maybe we could just ask him -- if you**
 5 **would like, I'll ask him just one more time.**
 6 **Q (BY MR. NEALE) So you believe this application**
 7 **should be approved in order to prevent waste. Is that**
 8 **correct?**
 9 **A Yes.**
 10 **MR. NEALE: And with that, Mr. -- Judge**
 11 **Johnston, we offer our Exhibits 1 through 13 for**
 12 **admission, please.**
 13 **JUDGE JOHNSON: Without objection,**
 14 **Applicant's 1 through 13 are admitted.**
 15 **(Exhibit Applicant Nos. 1-13 admitted)**
 16 **MS. SHEHEEN: No objection.**
 17 **MR. NEALE: I'm sorry.**
 18 **JUDGE JOHNSON: Thank you.**
 19 **MR. NEALE: And so we have Walter Jones as**
 20 **I mentioned earlier, the VP of Land for Titus, and**
 21 **Sharon Shaheen, the New Mexico lawyer for Titus, and if**
 22 **Staff or if Ms. Mendoza has any questions of either of**
 23 **those two or Mr. Johnston, of course, they're all**
 24 **prepared to be available for questions.**
 25 **JUDGE JOHNSON: All right. Very good.**

1 **Before we begin clarifying examination from the**
 2 **Examiners I'll invite Staff to make any presentation**
 3 **they'd like to make at this time.**
 4 **MS. MENDOZA: No, sir. We don't have a**
 5 **presentation to make. We just might have some closing**
 6 **remarks to make sure certain issues are highlighted and**
 7 **brought to the ALJ's attention to be included in the**
 8 **final proposed order.**
 9 **JUDGE JOHNSON: All right. Very good.**
 10 **Thank you. Examiner Gaskamp, do you have any questions**
 11 **for the Applicant or the Applicant's witnesses?**
 12 **EXAMINER GASKAMP: I don't believe so.**
 13 **Thank you.**
 14 **JUDGE JOHNSON: So the issue of allocation**
 15 **between the states, let's take that up for a minute.**
 16 **This seems somewhat similar to me as the -- as an**
 17 **allocation well-type permit where we're saying that**
 18 **every tract of a horizontal well path is considered a**
 19 **drill site tract, then presumably, you know, we can take**
 20 **each one of those tracts in isolation, and, you know,**
 21 **address the permitting process in that way.**
 22 **It sounds to me like that's how the**
 23 **Applicant is treating this as well. Am I understanding**
 24 **that correctly, Mr. Neale?**
 25 **MR. NEALE: Yes, sir. You are. That's**

1 why -- for example, we believe that if this permit is
2 approved and the well drilled you'll see a surface
3 location in New Mexico as well as a representation of a
4 surface location in Texas at the state line.

5 JUDGE JOHNSON: And the need for the Rule
6 37 exception to avoid the 100-foot perpendicular
7 spacing, if we could talk a little bit more about that,
8 about the need for that.

9 I mean, is that going to make a huge
10 difference one way or the other? Is there -- is it
11 already expected that the nearest take-point will be
12 closer than that or is that just trying to afford
13 maximum flexibility during the drilling process?

14 MR. NEALE: So I'm not sure if either
15 Mr. Johnston or I know the answer to that question.
16 Maybe Mr. Jones might.

17 MR. JONES: Yeah. Just as far as in the
18 completion procedures, instead of having a setback on
19 the New Mexico side of a hundred feet plus another
20 100-foot setback for completion purposes, that's 200
21 feet of treatable lateral that we would not be able to
22 complete without a variance.

23 So that obviously affects the economics of
24 the well and would certainly be something we would plan
25 to complete and would hope to complete.

1 MR. JONES: So currently there is not,
2 though we have been -- we've spoken quite a bit with
3 Oxy, and they are not -- they have no objections to us
4 pursuing this as an option.

5 We do not have an agreement in place at
6 this point and that's as much a function of not knowing
7 the viability, you know, as far as if this would be
8 approved by the Railroad Commission.

9 And so we were waiting to see some
10 feedback from the Commission and from the New Mexico Oil
11 Conservation Division at which point we feel very
12 confident we will be able to enter into an agreement
13 with Oxy.

14 JUDGE JOHNSON: And does Titus own any
15 undivided interest in the tract in Texas?

16 MR. JONES: No, sir. We don't.

17 JUDGE JOHNSON: All right. That would
18 seem to suggest a good faith claim issue on the permit.
19 What is Titus's good faith claim to seek a drilling
20 permit and Rule 37 exception for property it has no
21 interest in?

22 MR. NEALE: So that's -- that is a
23 dilemma, Judge Johnson, and that's why there have been
24 substantial discussions between Titus and Oxy, and the
25 decision -- the business decision was made that a

1 JUDGE JOHNSON: All right. Well, the
2 understanding there then would be that -- I mean, what
3 I'm used to seeing is that you have, you know, the same
4 company on both sides of that property line. You know,
5 they're going to be able to account in some way to their
6 mineral lessors.

7 Am I understanding correctly based on this
8 plat that the state of New Mexico owns the minerals
9 under the -- immediately adjacent to the state line?

10 MR. JONES: That's correct. They own the
11 minerals under Section 32.

12 JUDGE JOHNSON: And the state of New
13 Mexico was noticed for this hearing from what I
14 understand from the exhibits presented by the Applicant?

15 MR. JONES: That's correct.

16 MR. NEALE: Just one clarifying point,
17 but, Mr. Jones, those minerals north of the Texas line,
18 those are leased by Titus, are they not?

19 MR. JONES: That's correct. Yeah. We
20 have the leases on 100 percent of the New Mexico side of
21 the wellbore.

22 MR. NEALE: All right.

23 JUDGE JOHNSON: And is there some kind of
24 joint operating agreement with Oxy that's making all of
25 this possible?

1 farm-out or some similar type of agreement would not be
2 entered into between Titus and Oxy unless the permit
3 were approved. Then the idea then would be to enter
4 into a formal agreement for the development of this
5 triangular shaped tract in Texas.

6 JUDGE JOHNSON: Well, that would seem to
7 create something of a chicken and egg problem.

8 MR. NEALE: Well, that's exactly how we've
9 described it, sir.

10 JUDGE JOHNSON: Because on top of the
11 potential precedent that we're setting here about wells
12 drilled between the two states and the -- the
13 potentially thorny jurisdictional issues there I'm
14 curious about the basic jurisdictional issue of issuing
15 a permit for a piece of property that the Applicant
16 admits they don't have an interest in.

17 MR. NEALE: And we -- like I said, we
18 characterized it similar to your characterization and we
19 recognize that.

20 The problem is that there's a difficulty
21 in suggesting that an agreement should be entered into
22 that would result in the tying up of the acreage in
23 Texas in the event that there was not a permit to drill
24 that well.

25 JUDGE JOHNSON: I mean, the Magnolia case

1 says that the Commission can't do a useless thing which
2 is to issue -- I mean, that's directly out of the famous
3 quote from the case which is about issuing a drilling
4 permit for which the Applicant can't demonstrate that it
5 has a basic good faith claim.

6 It seemed to me that that's open and shut
7 at this point, that without that piece in place we can't
8 even get to the issue of, you know, permitting this well
9 given these circumstances and determining the allocation
10 between how the states are going to allocate production
11 and presumably tax revenue.

12 I mean, that's kind of what I'm left with
13 here. Tell me how I can make a recommendation to the
14 Commissions on this given all of the policy implications
15 that they're going to have to wrestle with, and I also
16 have to tell them that, oh, by the way, the Applicant
17 doesn't have a good faith claim to the tract on which
18 they are proposing to drill this well.

19 MR. NEALE: And I think the only thing
20 that we can say in response to that is that not only
21 have there been substantial negotiations, but the folks
22 at Oxy do not object to this application, and Mr. Jones
23 will tell you -- and I think he already has -- that if
24 this permit were approved by New Mexico and Texas that
25 he fully believes that an agreement to develop the tract

1 in Texas would occur.

2 But you're exactly right. Currently we
3 don't have a legal document or a legal right to develop
4 the acreage in Texas.

5 JUDGE JOHNSON: Well, it just seems to me
6 that that's putting the cart before the horse. It
7 sounds like -- rather than wait and see if it's
8 permitted before there's an agreement it sounds to me
9 like you need an agreement before it's permitted.

10 So I think that's where we're -- I think
11 that's the only decision I'm really able to make here.
12 Unless somebody can convince me otherwise that seems to
13 be the answer in this matter.

14 MR. JONES: Is there -- would there be an
15 option for contingency, you know, to prove that only as
16 so long as there is an agreement between the parties
17 between Titus and Oxy or an affidavit or some sort of --

18 JUDGE JOHNSON: I mean, I would hesitate
19 to speculate on the record what would be necessary here
20 for the Applicant, but, I mean, without even something
21 like a memorandum of understanding, the fact that Oxy is
22 here and not making a protest doesn't sound like a good
23 faith claim as I understand it and the rule to require
24 one.

25 MR. NEALE: Well, Judge Johnson, we're

1 certainly willing to try to move along the discussions
2 with Oxy, and maybe if a Memorandum of Understanding is
3 necessary then we can pursue that -- that avenue. We
4 just --

5 JUDGE JOHNSON: Well, again, I want to be
6 very clear that I'm not suggesting to the parties what
7 they need to do or not do to establish a good faith
8 claim, but I'm just saying from my own experience
9 without even a bare minimum memorandum, I don't see how
10 that's supportable at this time.

11 Now, we can certainly -- if you would like
12 we can certainly put a pin in that issue and perhaps
13 that works itself out, as it were, while, you know, the
14 Examiners are considering what recommendation to make to
15 the Commission.

16 So let's go ahead. We can put the good
17 faith claim issue to one side for a second. I think
18 Mr. Jones's testimony establishes that they feel that
19 the Rule 37 exception is necessary to avoid potential
20 waste and be able to tap into reserves that might
21 otherwise go unrecovered if both states have a 100-foot
22 offset.

23 And I suppose it's beyond my pay grade to
24 talk about whether we do a surface acreage allocation
25 for revenues versus a wellbore application. I'm just

1 wondering since the shape of this tract is such that,
2 you know, the wellbores will get progressively longer in
3 the state of Texas. Is there some point at which it
4 doesn't -- I'm assuming that there's going to have to be
5 some reallocation of acreage here at some point.

6 Is that just something that we'll have to
7 take up as each well comes along, or has there been any
8 discussion on that point?

9 MR. NEALE: The discussion that we've
10 had -- and Mr. Jones can add to that if he likes, is
11 that we are trying to make this allocation formula match
12 with what is the standard for New Mexico.

13 That's why we presented that Exhibit No. 8
14 that showed what would happen based upon either surface
15 acreage or complete lateral footage which are typically
16 the only methodology that I'm aware of for horizontal
17 wells crossing multiple tracts.

18 The good news is, is that New Mexico
19 typically requires surface acreage and surface acreage
20 would give a higher percentage to Texas than would a
21 completed lateral.

22 I think that if -- in this order we might
23 be able to have -- we're hoping to have something that
24 would address that subject so that the next well would
25 not -- if following this precedent the next well would

1 also be production allocated on surface acreage.
2 JUDGE JOHNSON: Mr. Neale and/or
3 Ms. Mendoza, do we have -- does the Commission issue
4 orders on allocation wells that specify how the
5 allocation is to be undertaken?

6 MR. NEALE: No, sir, not typically.

7 JUDGE JOHNSON: Yeah, I didn't think so,
8 but so -- but you'd be wanting something like this in
9 the order for this well?

10 MR. NEALE: Well, I think that -- if the
11 idea here is to sort of develop a template for
12 administrative approval of subsequent wells I think that
13 would be of assistance because of the predominance in
14 New Mexico of surface acreage allocation.

15 MR. JOHNSTON: The Commission has issued
16 orders for Rule 10s where you have diversity and
17 ownership where they specify the allocation method.

18 JUDGE JOHNSON: Okay. Ms. Mendoza, I
19 mean, in terms of what the Examiners would recommend to
20 the Commission, I mean, is there any -- any -- anything
21 you might offer us on that point.

22 Is that something that the Examiners would
23 leave to the Commissioners to decide or would they be
24 wanting a recommendation on that in some way?

25 MS. MENDOZA: I'm not sure. I'm happy to

1 think the conclusion was that the majority of those
2 subjects would be related to the surface location,
3 which -- because it's going to be in New Mexico, Texas
4 would not really have much jurisdiction, if any, over
5 those operational issues. We have also --

6 MS. MENDOZA: And that is something
7 that -- sorry. Go ahead, Mr. Neale.

8 MR. NEALE: One other thing. We have also
9 talked about this allocation of production and payment
10 of severance taxes, and we had them -- the Staff
11 recommend that on our production report not only do we
12 report the proportionate production from Texas, but we
13 also include a number, which is the gross number, so
14 that anybody attempting to research the production from
15 this reservoir by this well it could have a gross number
16 even though it only would be -- some portion of that
17 would be allocated to Texas.

18 MS. MENDOZA: And just to add onto that,
19 the practical aspects of pollution flaring in other sort
20 of operational concerns, I believe that that's something
21 that we would address in that MOU with New Mexico and
22 would not need to be addressed in the drilling permit
23 application.

24 JUDGE JOHNSON: Okay. Thank you. That's
25 good to know. All right. Other than the good faith

1 go and do some research. I was unfamiliar with any Rule
2 10 orders. I'm happy to go do some research on that,
3 though, and I'd be happy to file a brief after the fact
4 with that research, the results of that research if that
5 would be useful, though.

6 JUDGE JOHNSON: I suspect that it would.
7 I think we could also put the Applicant on doing similar
8 work to kind of help guide the Examiners on what we
9 might think about when making recommendations to the
10 Commission.

11 MS. MENDOZA: Absolutely.

12 JUDGE JOHNSON: Thank you. What about --
13 I'm just thinking out loud here.

14 You know, what about issues of pollution
15 or concerns about frac hits? I mean, who is going to be
16 responsible for those issues and is that something that
17 we need to take up in the permitting process?

18 I'm assuming it's not something that
19 really is taken up in the permitting process because the
20 assumption would be -- it would be one state or the
21 other. Any thoughts on that?

22 MR. NEALE: So, yes, sir, Judge. So we
23 had a -- we being Rick Johnston and I had a conference
24 call with Paul Dubois, Lorenzo Garza and Jessica Mendoza
25 to talk about those sort of operational issues, and I

1 claim issue, again, to me, and kind of thinking about
2 this before we got here today, you know, this seems to
3 walk and quack like an allocation well-type issue.

4 And certainly the Commission has been
5 comfortable now for some time issuing allocation
6 permits, and that the basic concept of allocation
7 permits has, you know, received something of a blessing
8 from the court system.

9 So it certainly seems to me that the -- as
10 far as the portion of the well that exists within the
11 state of Texas, it seems like the policy concerns
12 surrounding the permitting itself are perhaps less
13 salient than issues like how do you allocate revenue,
14 how do you allocate responsibility for other regulatory
15 issues that come up in operations.

16 But it sounds like, from what I'm hearing
17 from Ms. Mendoza, that that would be addressed through a
18 separate agreement between the state agencies through at
19 least a memorandum of understanding and that all the
20 Examiners need do is address the issue of the permit
21 itself.

22 So I think that's all the questions I
23 have. Ms. Mendoza, you --

24 MS. MENDOZA: Judge Johnson -- I'm sorry.

25 JUDGE JOHNSON: Go ahead.

1 MS. MENDOZA: Yeah, sorry. Can I
 2 interrupt real quick? Most operational issues that
 3 you -- all operational issues that you identified Staff
 4 does foresee entering into an agreement with New Mexico
 5 except for the allocation of production issue which is
 6 something that we believe that the ALJ -- sorry -- the
 7 Commissioners -- we would like to seek guidance from the
 8 Commissioners on that, as we believe that's more of a
 9 policy decision and not a procedural decision which
 10 would be Staff's domain, the procedural aspect of that.

11 JUDGE JOHNSON: Okay. Well, at this point
 12 if the -- I'm looking at the chart that is in Exhibit 8
 13 for the Applicant. The indications are that the state
 14 of New Mexico is willing to allocate on an acreage basis
 15 that would seem to be the advantage of the people of the
 16 state of Texas and presumably the royalty owners in the
 17 state of Texas.

18 So, I mean, to the extent that the
 19 Examiners would like the -- I'm sorry. The
 20 Commissioners would like the Examiners to talk about
 21 their potential policy options. You know, that would
 22 seem to be -- at least on this application that would
 23 seem to be favorable to the state.

24 But we can certainly include that in an
 25 Examiners' Report that -- and they can then -- they then

1 this permit is approved as you mentioned sort of a
 2 condition to the drilling permit entered into by the
 3 parties, not by the Railroad Commission?

4 MR. JONES: Yes. I do believe that's
 5 something we could get in place. I obviously can't
 6 speak for Oxy in that regard.

7 I do think with a little bit more color
 8 that we've gained here and just kind of hearing I think
 9 that would be helpful as far as keeping this moving
 10 forward.

11 If we could have -- I don't know what the
 12 typical timeline is for how long it takes you to have
 13 that -- the case -- how long it is usually kept open,
 14 but, I mean, anywhere from 60 to 90 days I feel like we
 15 should be able to get something in place with Oxy in
 16 that time.

17 JUDGE JOHNSON: When was the application
 18 sent to the Hearings Division?

19 MR. NEALE: So if you look at our Exhibit
 20 No. 4, I believe it was March 5.

21 JUDGE JOHNSON: Okay. So this hasn't been
 22 with us very long.

23 MR. NEALE: Actually this letter was filed
 24 in CASES on March 8th.

25 JUDGE JOHNSON: Well, unless there are any

1 can take that up in a vote if that's the -- if that --
 2 that sounds like to me the appropriate allocation of job
 3 responsibilities between the Examiners and the
 4 Commissioners --

5 (Laughter)

6 MR. NEALE: Yeah.

7 JUDGE JOHNSON: -- unless I'm missing
 8 something.

9 MS. MENDOZA: I think that sounds
 10 appropriate to Staff.

11 JUDGE JOHNSON: Very good. Well, in that
 12 case -- I mean, Mr. Neale, I guess that leaves then the
 13 process between Titus and Oxy to potentially beat the
 14 Examiners to an Examiners' Report on the good faith
 15 claim issue.

16 MR. NEALE: Yes, sir. That's my
 17 understanding as well.

18 JUDGE JOHNSON: Would the Applicant like
 19 the Examiners to hold the record open for any particular
 20 period of time before filing an Examiners' Report?

21 MR. NEALE: So let's maybe ask Mr. Jones
 22 that question. Of course, he's heard the discussion on
 23 the record today. And so do you have any opinion about
 24 the possibility of developing some sort of memorandum of
 25 understanding between Titus and Oxy in the event that

1 strong objections from anyone here I am not adverse to
 2 holding the record open in this matter for 90 days. Of
 3 course, if something were to occur prior to that time I
 4 would hope that the Applicant would let us know well in
 5 advance of 90 days if that happened.

6 MR. JONES: Yes, sir.

7 MR. NEALE: We would definitely do that.
 8 Yes, sir.

9 JUDGE JOHNSON: And let me stress that I'm
 10 in no way telling the Applicant what constitutes a good
 11 faith claim.

12 The rule promulgated by the Commission
 13 establishes what a good faith claim is, and so however
 14 the parties want to work that out I am making no
 15 pre-sentiments or pre-statements about what that looks
 16 like.

17 MR. JONES: Understood. Thank you.

18 JUDGE JOHNSON: All right. Well, hearing
 19 no objection I am going to go ahead and hold the record
 20 in this matter open for 90 days, and then we can -- we
 21 will reach out to the Applicant when they give us some
 22 indication of the status of this matter.

23 If we could, I would appreciate it if we
 24 in the next week or so do get a posthearing conference
 25 set sometime within that 90-day time frame. And I'm

1 sorry. That probably didn't come out as clearly as I
 2 intended it to mean.
 3 Mr. Neale, if you could consult with
 4 Docket Services. That may be too far out for them, but
 5 start working on giving us a placeholder. Of course, if
 6 we don't need the prehearing conference we can simply
 7 cancel it.
 8 But that way it gives us all a reminder
 9 not to let this sit without somebody circling back
 10 around and checking on it.
 11 MR. NEALE: Yes, sir.
 12 JUDGE JOHNSON: All right. I'm going to
 13 assess the cost of today's transcript to the Applicant.
 14 Is there anything we need to -- anything further we need
 15 to take up at this time?
 16 MR. NEALE: I guess the only thing is, is
 17 if a document ensues from the discussion with Oxy and
 18 Titus we would like to mark that and submit that as
 19 Exhibit 14.
 20 JUDGE JOHNSON: Well, since the record
 21 will be open we won't even have to call it late-filed.
 22 So, yes, that will be fine. You can submit that as
 23 Exhibit 14.
 24 (Exhibit Applicant No. 14 to be submitted
 25 if warranted)

1 CERTIFICATE
 2
 3 STATE OF TEXAS)
 4 COUNTY OF TRAVIS)
 5
 6 I, William C. Beardmore, Certified Shorthand
 7 Reporter in and for the State of Texas, do hereby
 8 Certify that the above-mentioned matter occurred as
 9 hereinbefore set out.
 10 I FURTHER CERTIFY THAT the proceedings of such
 11 were reported by me or under my supervision, later
 12 reduced to typewritten form under my supervision and
 13 control and that the foregoing pages are a full, true,
 14 and correct transcription of the original notes.
 15 IN WITNESS WHEREOF, I have hereunto set my
 16 hand and seal this 18th day of April 2021.
 17
 18
 19 WILLIAM C. BEARDMORE
 20 Certified Shorthand Reporter
 21 CSR No. 918 - Expires 4/30/21
 22
 23 Dave Howard and Associates
 24 Firm No. 440
 25 10917 Shady Hollow Drive
 Austin, Texas 78748
 512.282.0313

1 MR. NEALE: Yeah, I think that's all we
 2 had. Thank you, sir.
 3 JUDGE JOHNSON: All right. Ms. Mendoza,
 4 you had mentioned maybe making a final statement, but
 5 have we kind of covered everything that Staff wanted to
 6 discuss today?
 7 MS. MENDOZA: Yes, sir. You've hit
 8 everything that we were concerned about. So, thank you.
 9 JUDGE JOHNSON: All right. Very good.
 10 Well, again -- I believe I said this already, but just
 11 in case, the -- I'm assessing the cost of the transcript
 12 to the Applicant, and if there's nothing further for us
 13 to take up at this time, I note that it is 2:30 p.m. on
 14 April 13, 2021, and subject to the record remaining
 15 opening we will close the transcript for today and go
 16 off the record.
 17 Thank you.
 18 (Proceedings concluded at 2:30 p.m.)
 19
 20
 21
 22
 23
 24
 25

| | | | | |
|--|--|--|---|--|
| <p>A</p> <p>able 11:22 25:21 26:5 27:12 30:11 31:20 32:23 39:15</p> <p>ABOVE-CAPTI... 2:19</p> <p>above-mentioned 43:8</p> <p>Absolutely 34:11</p> <p>Abstract 13:10,10</p> <p>acceptable 19:18</p> <p>accompanies 15:23</p> <p>account 26:5</p> <p>acreage 12:4,5 16:3 16:6 17:18 18:21 19:17 21:9,11,18 22:7 28:22 30:4 31:24 32:5,15,19 32:19 33:1,14 37:14</p> <p>acres 15:2,3,17 16:4,8,11 17:19 17:20,21 18:16 22:22</p> <p>actual 14:25</p> <p>add 32:10 35:18</p> <p>added 15:7</p> <p>additional 12:24</p> <p>address 24:21 32:24 35:21 36:20</p> <p>addressed 35:22 36:17</p> <p>adjacent 26:9</p> <p>administrative 2:7 6:7,16 7:13 9:3 33:12</p> <p>administratively 9:14 13:24</p> <p>admission 23:12</p> <p>admits 28:16</p> <p>admitted 5:3 23:14 23:15</p> <p>advance 40:5</p> <p>advantage 37:15</p> <p>adverse 40:1</p> <p>affidavit 30:17</p> <p>afford 25:12</p> <p>agencies 36:18</p> <p>agency 19:24</p> | <p>agreement 9:20 26:24 27:5,12 28:1,4,21 29:25 30:8,9,16 36:18 37:4</p> <p>ahead 7:17 31:16 35:7 36:25 40:19</p> <p>ALJ 2:13 37:6</p> <p>ALJ's 24:7</p> <p>allocate 29:10 36:13,14 37:14</p> <p>allocated 19:16 33:1 35:17</p> <p>allocation 5:12,13 18:12,16,21,25 19:9 24:14,17 29:9 31:24 32:11 33:4,5,14,17 35:9 36:3,5,6 37:5 38:2</p> <p>allow 17:17</p> <p>allowable 17:23</p> <p>and/or 33:2</p> <p>answer 25:15 30:13</p> <p>anticipate 8:1</p> <p>anybody 35:14</p> <p>apologies 6:14</p> <p>appear 15:12</p> <p>appearance 6:20</p> <p>APPEARANCES 3:1</p> <p>appearing 6:19</p> <p>Appendix 11:14,20</p> <p>applicable 12:20</p> <p>Applicant 4:4,6 5:3 6:4,22,25 8:9 12:8 13:25 18:8 23:15 24:11,23 26:14 28:15 29:4,16 30:20 34:7 37:13 38:18 40:4,10,21 41:13,24 42:12</p> <p>Applicant's 10:3 14:18 23:14 24:11</p> <p>application 5:13 8:15,23 9:16 10:17 11:14 12:21 12:25 13:19,24 16:17 19:4,8,20 23:6 29:22 31:25</p> | <p>35:23 37:22 39:17</p> <p>applications 9:2</p> <p>appreciate 40:23</p> <p>appropriate 38:2 38:10</p> <p>approval 2:7 5:8 6:16 9:3,4 11:12 14:20 15:24 16:17 33:12</p> <p>approve 9:13,16</p> <p>approved 12:17,25 13:24 14:11 23:7 25:2 27:8 28:3 29:24 39:1</p> <p>approving 19:9</p> <p>approximately 2:20</p> <p>April 1:10 2:21 4:3 6:2,6 42:14 43:16</p> <p>Arapaho 21:22</p> <p>area 16:20 21:11</p> <p>as-submitted 13:11</p> <p>asked 11:17</p> <p>aspect 37:10</p> <p>aspects 9:21,21 35:19</p> <p>assess 41:13</p> <p>assessing 42:11</p> <p>assign 17:18</p> <p>assigned 15:17 22:22</p> <p>assigning 17:21</p> <p>assistance 33:13</p> <p>Assistant 7:12</p> <p>Associates 43:20</p> <p>assuming 32:4 34:18</p> <p>assumption 34:20</p> <p>attempting 35:14</p> <p>attend 7:21</p> <p>attending 7:22</p> <p>attention 24:7</p> <p>Attorney 3:9</p> <p>ATTORNEYS 3:4</p> <p>audio/video 2:24</p> <p>Austin 2:14 3:5,10 6:8 43:22</p> <p>available 7:5 9:3 23:24</p> | <p>avenue 31:3</p> <p>avoid 25:6 31:19</p> <p>aware 32:16</p> <hr/> <p>B</p> <p>back 6:13 13:6 41:9</p> <p>barrels 22:4,15,16 22:17,24,25 23:1</p> <p>Base 5:14</p> <p>based 18:16 26:7 32:14</p> <p>basic 28:14 29:5 36:6</p> <p>basically 11:11</p> <p>Basin 16:20</p> <p>basis 19:17 37:14</p> <p>bear 31:9</p> <p>Beardmore 1:25 2:22 43:6,18</p> <p>beat 38:13</p> <p>behalf 10:16</p> <p>believe 7:15 9:11 10:22 13:10 16:11 18:14,22 20:19 23:6 24:12 25:1 35:20 37:6,8 39:4 39:20 42:10</p> <p>believes 29:25</p> <p>best 10:1</p> <p>beyond 31:23</p> <p>bit 25:7 27:2 39:7</p> <p>blessing 36:7</p> <p>BLM 12:1</p> <p>block 16:6</p> <p>bottomhole 8:20</p> <p>boundary 15:12 18:5</p> <p>brief 6:12 8:11 34:3</p> <p>brought 24:7</p> <p>buffer 18:3</p> <p>business 27:25</p> <hr/> <p>C</p> <p>C 1:25 2:22 43:1,1 43:6,18</p> <p>call 34:24 41:21</p> <p>Called 16:6</p> <p>calls 14:25</p> <p>Campeon 2:7 5:9 6:17 11:13</p> | <p>cancel 41:7</p> <p>cart 30:6</p> <p>case 4:6 7:5 9:10 10:7 28:25 29:3 38:12 39:13 42:11</p> <p>CASES 39:24</p> <p>certain 24:6</p> <p>certainly 25:24 31:1,11,12 36:4,9 37:24</p> <p>CERTIFICATE 4:9</p> <p>Certified 2:22 43:6 43:19</p> <p>Certify 43:8,10</p> <p>changed 15:2</p> <p>changes 14:21</p> <p>characterization 28:18</p> <p>characterized 28:18</p> <p>chart 37:12</p> <p>checking 41:10</p> <p>chicken 28:7</p> <p>circling 41:9</p> <p>circumstances 29:9</p> <p>claim 27:18,19 29:5 29:17 30:23 31:8 31:17 36:1 38:15 40:11,13</p> <p>clarifying 24:1 26:16</p> <p>clear 14:3 31:6</p> <p>clearly 41:1</p> <p>close 42:15</p> <p>closer 11:23 25:12</p> <p>closing 24:5</p> <p>color 39:7</p> <p>Com 2:7 5:9 6:17 11:13</p> <p>come 17:23 36:15 41:1</p> <p>comes 32:7</p> <p>comfortable 36:5</p> <p>comment 15:6</p> <p>Commission 1:1 2:2 3:7 4:5 7:11 9:8,16 10:18,22 11:16 13:5 14:3</p> |
|--|--|--|---|--|

| | | | | |
|--|---|--|--|---|
| 15:14,23 19:19 27:8,10 29:1 31:15 33:3,15,20 34:10 36:4 39:3 40:12 Commission's 15:11 Commissioners 9:13 33:23 37:7,8 37:20 38:4 Commissions 29:14 common 14:7 company 26:4 comparable 18:19 compares 18:15 Comparison 5:12 complete 25:22,25 25:25 32:15 completed 14:12,15 18:17 21:22,23,25 22:11,20 32:21 completing 9:22 completion 21:13 21:15 25:18,20 Compliance 7:13 computerized 2:23 concept 36:6 concerned 42:8 concerns 34:15 35:20 36:11 conclude 17:7 concluded 4:8 42:18 concludes 23:3 conclusion 35:1 condensate 22:5 condition 39:2 conducive 17:3 conference 34:23 40:24 41:6 confident 27:12 conflicting 7:22 Congress 3:10 Connie 5:17 22:10 Conservation 9:18 19:6 27:11 consider 6:9 considered 17:5 24:18 | considering 31:14 constitutes 40:10 consult 41:3 consultant 10:16 consulting 7:2 CONTENTS 4:1 Contest 2:6 6:15 contingency 30:15 control 43:13 controls 12:4,4 conversations 14:22 convince 30:12 coordinating 9:21 copy 13:4 19:4 correct 10:19,24 13:13 14:5 16:18 18:9 19:1 23:8 26:10,15,19 43:14 correctly 24:24 26:7 cost 41:13 42:11 Counsel 3:9 7:10 counterpart 9:17 County 2:8 6:18 15:8 43:4 couple 13:9 20:9 21:12 course 23:23 38:22 40:3 41:5 court 36:8 covered 42:5 create 28:7 created 16:25 crossing 32:17 CSR 1:25 43:19 curious 28:14 current 13:13 14:17 17:17 currently 27:1 30:2 | decide 33:23 decision 27:25,25 30:11 37:9,9 definitely 40:7 Delaware 16:20 demonstrate 29:4 Denial 2:6 6:16 Department 19:5 depth 22:23 Deputy 7:12 described 14:24 28:9 describes 15:7 describing 13:21 determination 9:12 determining 29:9 develop 16:14,17 29:25 30:3 33:11 developed 17:8 20:20,21,23 21:2 developing 38:24 development 20:16 20:18 21:6,10,17 28:4 difference 25:10 different 12:18 14:8 difficult 16:16 difficulty 28:20 dilemma 27:23 direct 4:6,7 10:7,10 23:3 direction 16:15 18:21,22 directly 29:2 Director 7:12 discuss 42:6 discussion 32:8,9 38:22 41:17 discussions 11:16 11:18 27:24 31:1 District 2:8 6:18 diversity 33:16 Division 7:11,14 9:18 13:19 19:7 19:18 27:11 39:18 Docket 2:5 6:9,14 41:4 document 5:20 | 30:3 41:17 doing 10:4 34:7 domain 37:10 drill 12:13,14,24 16:22,23 17:3 24:19 28:23 29:18 drilled 13:22 14:5 14:11,15 16:1 17:2,6,9 20:10,13 21:5,8 25:2 28:12 drilling 2:6 5:5 6:16 9:22 11:12 11:15 13:18 16:16 25:13 27:19 29:3 35:22 39:2 Drive 43:21 Dubois 34:24 duly 10:9 | everybody 11:7 exactly 28:8 30:2 examination 10:10 24:1 Examiner 2:14 6:8 24:10,12 Examiners 24:2 31:14 33:19,22 34:8 36:20 37:19 37:20 38:3,14,19 Examiners' 37:25 38:14,20 example 25:1 exception 11:17,21 17:22 25:6 27:20 31:19 excuse 22:25 exhibit 5:1 6:4 11:3 11:6,10 12:10,11 13:3,4,15,16,17 14:18,19 15:16,21 15:22 17:12,13,14 18:11,13 19:3,4 20:5,5,8,11 21:19 21:20 22:9,19 23:15 32:13 37:12 39:19 41:19,23,24 exhibits 8:22 10:20 10:23 11:7 21:12 23:3,11 26:14 exists 36:10 expect 22:6 expected 25:11 experience 31:8 expert 7:4 Expires 43:19 extent 37:18 Ezra 2:13 6:6 |
| | D | | E | F |
| | Dana 13:19 Dave 43:20 day 2:21 14:7 22:16 22:17,25 43:16 days 39:14 40:2,5 40:20 deals 12:21 | | earlier 18:6 23:20 east-west 16:21 easterly-most 12:17,22 economics 25:23 egg 28:7 either 9:19 18:18 23:22 25:14 32:14 El 2:7 6:17 11:12 employed 7:24 10:15 Energy 19:6 Enforcement 3:9 engineer 7:24 ensues 41:17 enter 9:19 21:9 27:12 28:3 entered 28:2,21 39:2 entering 37:4 EOG 5:17 21:16 22:10 errors 13:9 establish 31:7 establishes 31:18 40:13 estimation 20:12 event 28:23 38:25 | F 43:1 facilitate 10:17 fact 16:14 30:21 34:3 faith 27:18,19 29:5 29:17 30:23 31:7 31:17 35:25 38:14 40:11,13 famous 29:2 |

| | | | | |
|---|---|---|--|---|
| <p>far 12:6 18:20 25:17 27:7 36:10 39:9 41:4 farm-out 28:1 favorable 37:23 Fax 3:6 February 13:7 Fed 2:7 5:9 6:17 11:13 feedback 27:10 feel 13:23 27:11 31:18 39:14 feet 18:1 22:24 25:19,21 field 2:8 5:10 6:18 11:14 12:20 15:5 17:14,15,17,23 19:11 22:12 file 34:3 filed 15:23 19:5,20 39:23 filing 38:20 filled 15:19 final 24:8 42:4 finally 7:3 fine 41:22 Firm 43:21 first 8:23 9:10 10:6 10:9 11:2,6 14:15 17:16,25 Flack 7:19,20 flaring 35:19 flexibility 25:13 folks 29:21 follow-up 9:6 following 32:25 follows 10:9 foot 13:8 footage 32:15 foregoing 43:13 foresee 37:4 form 5:6,8,15,17,18 13:5,12,13 14:19 14:21 15:24 22:19 43:12 formal 28:4 formation 12:14 16:25 19:10 formula 32:11</p> | <p>forward 13:25 39:10 four 12:18 fourth 15:16 frac 16:20 34:15 fracs 16:21 fractures 16:24 frame 40:25 full 43:13 fully 29:25 function 27:6 further 41:14 42:12 43:10</p> <hr/> <p style="text-align: center;">G</p> <hr/> <p>G-09S263619C 19:10 G-1 5:15 gained 39:8 Garza 5:7 7:12 13:17 14:23 15:18 34:24 Gas 2:5,5 3:3 6:9 6:15,23 7:4,10,13 8:12 10:7 18:10 Gaskamp 2:14 6:8 24:10,12 General 3:9 7:10 George 3:4 6:25 Georgetown 2:25 GIS 15:11,14 give 32:20 40:21 given 11:25 29:9,14 gives 41:8 giving 41:5 go 6:10 7:17 9:23 10:23 11:2 13:25 22:8 31:16,21 34:1,2 35:7 36:25 40:19 42:15 goes 12:6 18:15 19:12 going 7:21 8:15,16 8:18,20,21 10:6 12:16 13:12 14:9 15:7 16:13,25 18:24 21:12,15 25:9 26:5 29:10 29:15 32:4 34:15</p> | <p>35:3 40:19 41:12 good 7:25 9:25 22:1 22:17 23:25 24:9 27:18,19 29:5,17 30:22 31:7,16 32:18 35:25,25 38:11,14 40:10,13 42:9 gotten 12:2 grade 31:23 Grande 3:5 gross 35:13,15 guess 11:15 38:12 41:16 guidance 37:7 guide 34:8</p> <hr/> <p style="text-align: center;">H</p> <hr/> <p>H 3:8 hand 8:3 43:16 happen 32:14 happened 40:5 happy 33:25 34:2,3 headed 18:22 heard 38:22 hearing 2:20 5:4 8:2 9:1,4 11:10,11 12:3 13:20 14:1,2 26:13 36:16 39:8 40:18 Hearings 13:19 39:18 help 10:16 34:8 helpful 39:9 hereinbefore 43:9 hereunto 43:15 hesitate 30:18 higher 32:20 highlighted 24:6 history 22:2 hit 42:7 hits 34:15 hold 38:19 40:19 holding 22:7 40:2 Hollow 43:21 hope 25:25 40:4 hoping 32:23 horizontal 8:17 12:13 13:22 16:22</p> | <p>24:18 32:16 horse 30:6 Howard 43:20 huge 25:9 hundred 18:1 25:19 hundred-foot 18:3 hydrocarbon 20:25 hydrocarbons 21:2</p> <hr/> <p style="text-align: center;">I</p> <hr/> <p>idea 9:1 28:3 33:11 identified 37:3 Identify 17:13 20:7 immediately 26:9 implications 9:23 29:14 important 18:24 impression 8:24 9:11 include 35:13 37:24 included 21:18 24:7 includes 16:11 INDEX 5:1 indicated 11:18 indication 40:22 indications 18:20 37:13 initiated 21:11 inside 13:8 intended 41:2 intent 9:15 interest 19:13,14 27:15,21 28:16 interrupt 7:18 37:2 interval 8:19 14:9 invite 24:2 island 20:22 isolation 24:20 issue 24:14 27:18 28:14 29:2,8 31:12,17 33:3 36:1,3,20 37:5 38:15 issued 33:15 issues 17:23 24:6 28:13 34:14,16,25 35:5 36:13,15</p> | <p>37:2,3 issuing 28:14 29:3 36:5 item 11:20 19:15</p> <hr/> <p style="text-align: center;">J</p> <hr/> <p>Jessica 3:8 7:9 34:24 jessica.mendoza... 3:11 job 38:2 Johnson 2:13 6:5,6 6:13 7:8,15,23,25 8:6 9:5,25 11:2,4 11:9 20:1 23:2,13 23:18,25 24:9,14 25:5 26:1,12,23 27:14,17,23 28:6 28:10,25 30:5,18 30:25 31:5 33:2,7 33:18 34:6,12 35:24 36:24,25 37:11 38:7,11,18 39:17,21,25 40:9 40:18 41:12,20 42:3,9 Johnston 4:7 7:2 8:4,14 10:6,8,14 10:15 11:6 12:23 14:6 17:7 19:1 20:23 23:4,11,23 25:15 33:15 34:23 joint 26:24 Jones 7:1 8:4,14 23:19 25:16,17 26:10,15,17,19 27:1,16 29:22 30:14 32:10 38:21 39:4 40:6,17 Jones's 31:18 Judge 6:5,7,13,24 7:8,15,23,25 8:6 9:5,25 11:2,4,9 20:1 23:2,10,13 23:18,25 24:9,14 25:5 26:1,12,23 27:14,17,23 28:6 28:10,25 30:5,18 30:25 31:5 33:2,7</p> |
|---|---|---|--|---|

| | | | | |
|---|---|--|--|---|
| 33:18 34:6,12,22 35:24 36:24,25 37:11 38:7,11,18 39:17,21,25 40:9 40:18 41:12,20 42:3,9 jurisdiction 35:4 jurisdictional 28:13,14 | left 29:12 legal 30:3,3 length 18:17 lessors 26:6 let's 6:10 11:5 12:9 13:2,15 14:17 15:20 17:12 18:11 19:3 20:4 21:19 22:8 24:15 31:16 38:21 letter 14:3 39:23 Lewis 13:19 likes 32:10 line 8:20 11:23 12:15 14:10 15:12 16:2 18:4,25 20:11,13 25:4 26:4,9,17 lines 14:4 list 12:3 little 17:3 25:7 39:7 LLC 2:5 3:3 6:15 6:23 8:12 10:7 local 7:2 located 21:13,20 22:13 location 8:16 12:12 13:8,22 14:24 15:1,8,11,13,22 15:25 20:12 21:4 25:3,4 35:2 long 30:16 39:12,13 39:22 longer 32:2 look 39:19 looking 37:12 looks 40:15 Lorenzo 5:7 7:12 13:17 34:24 loud 34:13 Loving 2:8 6:18 lower 16:5 | 42:4 Man 5:16 21:21 manner 19:18 map 5:14 15:20 20:8,14 mapped 15:10 March 39:20,24 margin 16:5 mark 41:18 marked 5:3 6:4 14:18 15:21 22:8 match 32:11 matter 2:20 6:20 8:8 10:3 30:13 40:2,20,22 43:8 maximum 25:13 Mcf 22:4 mean 7:18 25:9 26:2 28:25 29:2 29:12 30:18,20 33:19,20 34:15 37:18 38:12 39:14 41:2 meaning 17:18 Medicine 5:15 21:21 Melissa 7:17,20 memo 5:7 13:17 memorandum 9:19 30:21 31:2,9 36:19 38:24 Mendoza 3:8 7:9,9 8:25 9:5,7,9 23:22 24:4 33:3,18,25 34:11,24 35:6,18 36:17,23,24 37:1 38:9 42:3,7 mentioned 18:6 23:20 39:1 42:4 method 33:17 methodology 32:16 Mexico 5:13 7:4,6 8:16,19 9:17,18 9:24 12:5,13 13:23 14:12,16,25 15:1,9 16:1 18:20 19:5,11,13,16,24 20:10,21 23:21 25:3,19 26:8,13 | 26:20 27:10 29:24 32:12,18 33:14 35:3,21 37:4,14 mind 17:1 mineral 26:6 minerals 19:6,9 26:8,11,17 minimum 31:9 minute 24:15 missing 38:7 month 22:4,5 MOU 35:21 move 13:2,15 14:17 15:20 17:12 18:11 19:3 20:4 21:19 31:1 moving 39:9 multiple 32:17 mutually 19:18 | negotiations 29:21 New 5:13 7:4,6 8:16,19 9:17,18 9:24 12:5,13 13:23 14:12,16,25 15:1,8 16:1 18:20 19:5,11,13,16,24 20:9,20 23:21 25:3,19 26:8,12 26:20 27:10 29:24 32:12,18 33:14 35:3,21 37:4,14 news 32:18 NMOCD 9:18 12:1 19:7,21 normal 16:12 north 21:9 26:17 north-south 16:16 17:9 Nos 6:4 23:15 notation 13:7 14:20 note 42:13 notes 43:14 notice 5:4 11:10,25 12:1,3,7 18:8 noticed 26:13 number 10:21 14:20 15:2,3 35:13,13,15 numbers 18:19 |
| K keeping 39:9 kept 39:13 kind 26:23 29:12 34:8 36:1 39:8 42:5 know 7:2 12:23 24:19,20 25:15 26:3,4 27:7 29:8 30:15 31:13 32:2 34:14 35:25 36:2 36:7 37:21 39:11 40:4 knowing 27:6 knowledge 14:14 | L land 7:1 16:10 23:20 landed 12:14 22:14 22:23 lands 14:12,13 late-filed 41:21 lateral 12:19 18:17 25:21 32:15,21 laterals 17:4 Laughter 38:5 Law 6:7 lawyer 23:21 lay-down 16:15 lays 11:11,14 leads 20:19 lean 18:21 lease 2:7 6:17 14:4 leased 26:18 leases 26:20 leave 18:3 33:23 leaves 38:12 leaving 21:11 Lee 15:8 | M Mack 5:17 22:10 Magnolia 28:25 majority 35:1 making 6:20 26:24 30:22 34:9 40:14 | N N 3:10 N.O 5:20,25 name 6:6 7:19 10:12,14 19:11 Natural 19:6 Neale 3:4 4:7 6:24 6:25 7:17,23 8:9 8:11,13 9:9 10:4,5 10:11 11:1,5 12:9 14:22 20:1,4 23:2 23:6,10,17,19 24:24,25 25:14 26:16,22 27:22 28:8,17 29:19 30:25 32:9 33:2,6 33:10 34:22 35:7 35:8 38:6,12,16 38:21 39:19,23 40:7 41:3,11,16 42:1 nearest 25:11 necessary 30:19 31:3,19 need 11:19 17:1 18:2 25:5,8 30:9 31:7 34:17 35:22 36:20 41:6,14,14 needs 17:8 | O object 29:22 objection 23:13,16 40:19 objections 27:3 40:1 observers 7:16 obviously 25:23 39:5 Occidental 19:13 occur 30:1 40:3 occurred 43:8 odd-shaped 20:15 offer 23:11 33:21 Offered 5:25 offering 8:1 office 2:24 3:9 7:10 offset 31:22 |

| | | | | |
|-----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| OG-21-0000 6:10 | 27:13,24 28:2 | persons 6:19 | 40:15 | 16:14 |
| OG-21-00006089 | 29:22 30:17,21 | Petroleum 19:14 | precedent 28:11 | property 18:4 26:4 |
| 2:5 6:14 | 31:2 38:13,25 | Phantom 2:8 5:10 | 32:25 | 27:20 28:15 |
| oh 29:16 | 39:6,15 41:17 | 6:17 11:13 12:21 | precipitated 14:1 | proportionate |
| oil 2:5,5 3:3 6:9,15 | | 15:5 17:15 22:11 | predominance | 35:12 |
| 6:23 7:4,10,13 | P | 22:21 | 33:13 | proposed 8:5 16:4 |
| 8:12 9:18 10:7 | P-16 15:17,19 | piece 28:15 29:7 | predominant 16:15 | 17:10 24:8 |
| 18:10 19:6 22:16 | p.m 2:20 6:3,5 | pin 31:12 | prehearing 41:6 | proposing 29:18 |
| 22:25 27:10 | 42:13,18 | Pistol 5:18 22:20 | prepared 10:20,22 | prorated 19:16 |
| okay 7:19 11:10 | pad 21:8 | place 27:5 29:7 | 23:24 | proration 16:4 |
| 12:9 13:2,15 | page 4:2 15:16 | 39:5,15 | present 21:12,15 | 19:17 |
| 14:19 15:20 17:12 | 19:23 | placeholder 41:5 | presentation 10:3 | protest 30:22 |
| 18:11,13 20:6 | pages 43:13 | plan 12:17,18 | 10:17 24:2,5 | prove 30:15 |
| 21:19 33:18 35:24 | papers 21:13,16 | 25:24 | presented 26:14 | provided 18:8 |
| 37:11 39:21 | particular 9:16 | planned 12:12 | 32:13 | purpose 20:14 |
| oops 16:8 21:23 | 38:19 | plans 12:24 | President 7:1 | purposes 25:20 |
| open 8:18 14:9 29:6 | parties 11:25 30:16 | plat 5:9 15:22 16:5 | presumably 24:19 | pursue 31:3 |
| 38:19 39:13 40:2 | 31:6 39:3 40:14 | 26:8 | 29:11 37:16 | pursuing 27:4 |
| 40:20 41:21 | party 18:7 | play 17:23 | pretty 22:1,3,17 | put 9:12 18:13 20:8 |
| opening 4:4,5 8:9 | path 20:12 24:18 | please 6:20 8:2 | prevent 23:7 | 31:12,16 34:7 |
| 8:12 9:8 42:15 | pattern 17:9 21:6 | 11:4,6 12:10 13:3 | printed 22:1 | putting 30:6 |
| operating 26:24 | Paul 34:24 | 13:16 14:18 17:13 | printout 5:11 17:14 | |
| operational 34:25 | pause 6:12 | 19:3 20:5 21:19 | prior 40:3 | Q |
| 35:5,20 37:2,3 | pay 31:23 | 22:9 23:12 | probably 41:1 | quack 36:3 |
| operations 36:15 | payment 35:9 | plus 25:19 | problem 21:3 28:7 | question 25:15 |
| OPERATOR 2:5 | PE 7:2 | point 15:14 17:16 | 28:20 | 38:22 |
| opinion 20:24 | pending 5:8 14:20 | 26:16 27:6,11 | procedural 9:21 | questions 7:6 10:1 |
| 38:23 | 15:24 | 29:7 32:3,5,8 | 37:9,10 | 20:2 23:22,24 |
| opposed 9:3 | people 7:21 37:15 | 33:21 37:11 | procedures 25:18 | 24:10 36:22 |
| option 27:4 30:15 | percent 26:20 | policy 9:11 29:14 | proceed 12:10 | quick 37:2 |
| optional 17:18 | percentage 32:20 | 36:11 37:9,21 | proceedings 4:3,8 | quite 18:19 27:2 |
| options 37:21 | perforate 11:22 | pollution 34:14 | 6:1 42:18 43:10 | quote 29:3 |
| oral 6:20 | perforations 21:24 | 35:19 | process 7:6 24:21 | |
| order 5:13 10:16 | period 38:20 | portion 22:2 35:16 | 25:13 34:17,19 | R |
| 16:14 17:8 19:8 | Permian 22:20 | 36:10 | 38:13 | R 43:1 |
| 23:7 24:8 32:22 | permit 6:16 11:12 | possibility 38:24 | produce 14:12 | Railroad 1:1 2:2 |
| 33:9 | 11:15 13:18 24:17 | possible 5:20 26:25 | producible 8:18 | 7:11 10:18,21 |
| orders 33:4,16 34:2 | 25:1 27:18,20 | posthearing 40:24 | producing 9:22,24 | 11:16 13:4 15:14 |
| orientation 16:21 | 28:2,15,23 29:4 | potential 22:15 | 14:9 21:5 22:3,21 | 19:19 27:8 39:3 |
| 16:23 | 29:24 35:22 36:20 | 28:11 31:19 37:21 | production 2:5 3:3 | raise 8:2 |
| original 43:14 | 39:1,2 | potentialed 22:24 | 6:15,23 8:12 10:7 | ranging 17:19 |
| originally 11:17 | permits 2:6 36:6,7 | potentially 20:19 | 18:12 19:9,15 | reach 9:17 40:21 |
| owner 19:13,14 | permitted 14:5 | 28:13 38:13 | 22:2 29:10 33:1 | ready 11:2 |
| owners 37:16 | 30:8,9 | practical 9:21,23 | 35:9,11,12,14 | real 37:2 |
| ownership 33:17 | permitting 24:21 | 35:19 | 37:5 | reallocation 32:5 |
| owns 26:8 | 29:8 34:17,19 | practice 14:4 | progressively 32:2 | really 11:19 30:11 |
| Oxy 5:15 7:20,21 | 36:12 | pre-sentiments | promulgated 40:12 | 34:19 35:4 |
| 12:2,3 21:14,20 | perpendicular | 40:15 | proper 11:25 12:6 | received 36:7 |
| 22:7 26:24 27:3 | 16:24 25:6 | pre-statements | properly 9:12 | recognize 28:19 |
| | | | | recommend 33:19 |

| | | | | |
|--|--|--|---|--|
| 35:11 recommendation 29:13 31:14 33:24 recommendations 34:9 record 6:6,10,12,13 6:21 10:13 17:13 20:7 30:19 38:19 38:23 40:2,19 41:20 42:14,16 recovered 20:25 21:1 red 20:11,13 reduced 43:12 regard 39:6 regulatory 7:4 36:14 related 35:2 remaining 42:14 remarks 24:6 REMEMBERED 2:19 reminder 41:8 remotely 2:23 report 35:11,12 37:25 38:14,20 reported 1:25 2:21 2:23 43:11 Reporter 2:22 43:7 43:19 REPORTER'S 4:9 representation 25:3 representing 7:10 represents 18:4 Request 2:5 6:15 requested 15:18 requesting 11:15 require 11:24 17:22 30:23 required 18:7,8 requires 32:19 research 34:1,2,4,4 35:14 reserves 20:25 31:20 reservoir 35:15 Resources 19:6 22:10 | response 29:20 responsibilities 38:3 responsibility 36:14 responsible 34:16 result 14:21 28:22 results 34:4 revenue 29:11 36:13 revenues 31:25 Rick 4:7 7:2 8:4 10:6,8,14 34:23 right 6:10 7:25 8:2 8:7 10:5 11:1,5 12:9 13:2 14:10 14:17 16:19 18:10 18:22 22:18 23:25 24:9 26:1,22 27:17 30:2,3 35:25 40:18 41:12 42:3,9 right-hand 16:5 Rio 3:5 rock 16:19 roughly 22:24 royalty 37:16 RSP 5:18 21:16 22:19 rule 5:10 11:17,21 11:24 12:6,7 17:22,25 18:2,6 25:5 27:20 30:23 31:19 33:16 34:1 40:12 rules 17:15,17 <hr/> S safe 17:7 salient 36:13 save 10:2 saying 24:17 31:8 says 19:15 29:1 schedules 7:22 schematic 5:5 12:11 screen 10:23 seal 43:16 second 6:11 31:17 | section 7:13 13:11 16:9,12 17:3 20:9 20:15,15,20 21:4 21:8,14,21 26:11 sections 20:9,17 see 8:13 11:7 13:6 16:8,9 18:18 19:23 21:22,24 22:3 25:2 27:9 30:7 31:9 seeing 26:3 seek 27:19 37:7 seeking 11:12,21 sending 13:18 sent 39:18 separate 36:18 Services 41:4 set 13:20 40:25 43:9,15 setback 11:24 25:18,20 setting 28:11 severance 35:10 Shady 43:21 Shaheen 7:3 8:5 19:23 23:21 shape 32:1 shaped 17:2 28:5 share 10:22 Sharon 7:3,3 8:4 19:23 23:21 she'll 8:25 SHEHEEN 23:16 short 17:3 Shorthand 2:22 43:6,19 show 15:13 20:14 20:16 showed 13:8 32:14 showing 12:11 20:9 shows 15:17,25 16:3 shut 29:6 side 7:6 8:19 17:22 18:3 25:19 26:20 31:17 sides 14:9 18:25 26:4 signed 13:17 | similar 9:2,20 17:9 24:16 28:1,18 34:7 simply 41:6 sir 6:24 7:9 8:11 9:7 10:5,13 11:8 13:14 17:13 20:7 24:4,25 27:16 28:9 33:6 34:22 38:16 40:6,8 41:11 42:2,7 sit 41:9 site 24:19 slot 12:17,22 slots 12:18,19 sole 19:13,14 somebody 18:14 30:12 41:9 somewhat 24:16 sorry 23:17 35:7 36:24 37:1,6,19 41:1 sort 9:19,23 16:14 30:17 33:11 34:25 35:19 38:24 39:1 sound 30:22 sounds 24:22 30:7 30:8 36:16 38:2,9 south 12:14 17:2 18:3 21:8,18 spacing 17:24 25:7 speak 8:25 39:6 specify 33:4,17 speculate 30:19 spoken 27:2 stacked 12:19 staff 3:7,9 4:5 7:5,8 9:8,13 11:16,17 11:18 13:23 23:22 24:2 35:10 37:3 38:10 42:5 Staff's 9:15 37:10 standard 32:12 start 6:22 11:5 41:5 started 20:17,19 21:6 state 2:23 8:20 10:12 11:23 12:15 13:8 14:10 15:15 | 16:2 18:4,25 19:5 25:4 26:8,9,12 32:3 34:20 36:11 36:18 37:13,16,17 37:23 43:3,7 statement 4:4,5 8:10,12 9:8 42:4 states 15:13 24:15 28:12 29:10 31:21 status 40:22 steadily 22:3 stenotype 2:24 Strawn 21:23 Street 3:5 stress 16:19 40:9 strong 40:1 subject 14:1 20:3 32:24 42:14 subjects 35:2 submission 5:20 submit 41:18,22 submitted 5:6 8:23 10:21 13:5,6,7 19:24 41:24 subsequent 9:2 33:12 substantial 27:24 29:21 suggest 27:18 suggesting 28:21 31:6 Suite 3:5 supervision 43:11 43:12 supportable 31:10 suppose 31:23 sure 24:6 25:14 33:25 surface 8:15,16 12:12 13:8,22 14:24 15:1,8,11 15:13,25 18:16,21 19:17 20:12 21:4 25:2,4 31:24 32:14,19,19 33:1 33:14 35:2 surrounding 36:12 surveyor 18:14 surveyor's 15:20 |
|--|--|--|---|--|

| | | | | |
|---|---|--|--|---|
| <p>suspect 10:1 34:6 sworn 8:5,6 10:9 system 15:11,15 36:8</p> <hr/> <p style="text-align: center;">T</p> <p>T 43:1,1 table 4:1 18:13 take 24:15,19 32:7 34:17 38:1 41:15 42:13 take-point 17:25 25:11 taken 34:19 takes 39:12 talk 25:7 31:24 34:25 37:20 talked 35:9 talks 18:12 19:12 tap 31:20 tax 29:11 taxes 35:10 TD 22:12 Technical 2:14 6:7 tell 8:25 29:13,16 29:23 telling 40:10 template 33:11 terminus 8:21 15:14 terms 33:19 testified 10:9 testimony 8:1,14 16:13 23:3 31:18 Texas 1:1 2:2,8,23 2:25 3:5,10 6:18 7:11 8:19,21 9:24 12:4,15,20 13:9 13:23 14:13,16 15:3,15 16:2,7,9 17:21 19:14,16,19 25:4 26:17 27:15 28:5,23 29:24 30:1,4 32:3,20 35:3,12,17 36:11 37:16,17 43:3,7 43:22 thank 6:24 7:7,8,15 8:1,6 9:4,25 10:5</p> | <p>23:18 24:10,13 34:12 35:24 40:17 42:2,8,17 they'd 24:3 thing 10:2 13:20 29:1,19 35:8 41:16 think 8:23,25 10:20 11:19 29:19,23 30:10,10 31:17 32:22 33:7,10,12 34:7,9 35:1 36:22 38:9 39:7,8 42:1 thinking 34:13 36:1 third 11:20 thorny 28:13 thought 7:5 thoughts 34:21 three 7:20 time 14:7,16 23:5 24:3 31:10 36:5 38:20 39:16 40:3 40:25 41:15 42:13 timeline 39:12 Tindol 7:24 titled 16:6 Titus 2:5 3:3 5:3 6:15,22 7:24 8:12 10:7,16 12:4,7 13:5 18:10,15 19:12 23:20,21 26:18 27:14,24 28:2 30:17 38:13 38:25 41:18 Titus's 27:19 today 6:7,19 7:16 8:1 17:10 36:2 38:23 42:6,15 today's 8:2 41:13 top 28:10 total 16:3 Totals 16:6 tract 16:7,7,9,10,17 17:8 24:18,19 27:15 28:5 29:17 29:25 32:1 tracts 24:20 32:17 transcript 41:13</p> | <p>42:11,15 transcription 43:14 TRAVIS 43:4 treatable 25:21 treating 24:23 triangle 16:15 triangular 28:5 true 43:13 try 31:1 trying 25:12 32:11 TUESDAY 1:10 turn 8:8 10:3 two 15:12 21:17 23:23 28:12 tying 28:22 type 28:1 typewritten 43:12 typical 39:12 typically 32:15,19 33:6</p> <hr/> <p style="text-align: center;">U</p> <p>UFT 17:23 understand 19:11 19:21 26:14 30:23 understanding 9:10,20 18:19 24:23 26:2,7 30:21 31:2 36:19 38:17,25 Understood 40:17 undertaken 33:5 undeveloped 20:22 undivided 27:15 uneconomic 17:5 unfamiliar 34:1 unit 2:6 6:16 16:4 19:17 units 17:17 unrecovered 31:21 unusual 17:2 unusually-shaped 16:10 useful 34:5 useless 29:1 usually 39:13</p> <hr/> <p style="text-align: center;">V</p> <p>variance 25:22 versus 31:25</p> | <p>viability 27:7 Vice 7:1 vote 38:1 VP 23:20</p> <hr/> <p style="text-align: center;">W</p> <p>W-1 5:6,8 13:5,11 13:12,13 14:17,19 14:21 15:7,24 W-2 5:17,18 22:19 wait 30:7 waiting 27:9 walk 36:3 Walt 8:4 Walter 6:25 23:19 want 8:24 11:21 16:23 17:16 31:5 40:14 wanted 42:5 wanting 33:8,24 warranted 5:20 41:25 waste 23:7 31:20 wasted 21:3 water 22:16,25 23:1 way 11:22 15:18 17:19 18:18 19:21 24:21 25:10 26:5 29:16 33:24 40:10 41:8 WC-025 19:10 we'll 32:6 we're 6:13 11:2,15 13:12 16:13 18:22 24:17 28:11 30:10 30:25 32:23 we've 15:21 22:8 27:2 28:8 32:9 39:8 week 40:24 well's 22:15 well-type 24:17 36:3 wellbore 16:24 26:21 31:25 wellbores 32:2 wells 12:19,24 16:22 17:1 20:20</p> | <p>21:17 28:11 32:17 33:4,12 WHEREOF 43:15 William 1:25 2:21 43:6,18 willing 31:1 37:14 wishes 13:25 witness 10:6 43:15 witnesses 8:5 24:11 Wolfcamp 2:8 5:10 6:18 11:13 12:14 12:21 15:6 17:15 19:10 21:25 22:12 22:13,21 wondering 32:1 work 7:20 9:20 34:8 40:14 working 19:13,14 19:21 41:5 works 31:13 wouldn't 17:6 wrestle 29:15</p> <hr/> <p style="text-align: center;">X</p> <hr/> <p style="text-align: center;">Y</p> <p>Yeah 25:17 26:19 33:7 37:1 38:6 42:1</p> <hr/> <p style="text-align: center;">Z</p> <p>zero 17:24 Zoom 2:24 20:2</p> <hr/> <p style="text-align: center;">0</p> <p>08 2:8 6:18</p> <hr/> <p style="text-align: center;">1</p> <p>1 5:4,16 11:10 21:21 23:11,14 1-13 6:4 23:15 1,078 22:15,17 1:32 2:20 6:3,5 10 4:6,7 5:14 11:17 20:5,8,11 34:2 100 26:20 100-foot 11:23 25:6 25:20 31:21 10917 43:21 10s 33:16</p> |
|---|---|--|--|---|

| | | | | |
|----------------------|-----------------------|--------------------|--|--|
| 11 5:15 21:19,20 | 37 11:21,24 12:6,7 | 32:13 37:12 | | |
| 1155 23:1 | 18:6 25:6 27:20 | 800622 2:6 | | |
| 12 5:17 22:9 | 31:19 | 8th 39:24 | | |
| 12,623 22:12 | 374 22:24,25 | | | |
| 12,800 22:24 | 38 17:22 | <u>9</u> | | |
| 13 1:10 4:3 5:18 6:2 | 3837 18:2 | 9 4:5 5:13 19:3,4 | | |
| 6:6 8:22 10:20 | | 90 39:14 40:2,5,20 | | |
| 22:19 23:11,14 | <u>4</u> | 90-day 40:25 | | |
| 42:14 | 4 5:7 13:16,17 | 912 13:10 | | |
| 13th 2:21 | 39:20 | 918 43:19 | | |
| 14 5:20 41:19,23,24 | 4/30/21 43:19 | | | |
| 14,557 21:24 | 404 12:16 | | | |
| 14913 21:24 | 404H 2:8 5:9 6:17 | | | |
| 15 21:8 | 11:13 12:22 15:18 | | | |
| 1601 3:5 | 41 5:20 | | | |
| 1701 3:10 | 42 4:8 | | | |
| 18th 43:16 | 43 4:9 | | | |
| 1H 5:17 22:11 | 440 43:21 | | | |
| | 49.2 15:4,17 16:8 | | | |
| <u>2</u> | 17:21 | | | |
| 2 5:5 12:10,11 | | | | |
| 2:30 42:13,18 | <u>5</u> | | | |
| 20 17:20 | 5 5:8 14:18,19 | | | |
| 20,000 22:4 | 19:15 39:20 | | | |
| 200 25:20 | 512.282.0313 43:22 | | | |
| 2016 21:23 | 512.463.3176 3:11 | | | |
| 2017 22:22 | 512.477.1907 3:6 | | | |
| 2021 1:10 2:21 4:3 | 512.477.1976 3:6 | | | |
| 6:2,6 42:14 43:16 | | | | |
| 20s 17:18 | <u>6</u> | | | |
| 22nd 13:7 | 6 4:3 5:4,5,6,7,8,9,9 | | | |
| 23 5:4,5,6,7,8,9,11 | 5:11,12,13,14,16 | | | |
| 5:12,13,14,16,17 | 5:17,19 15:21,22 | | | |
| 5:19 | 6-22:4 | | | |
| 24 21:4 | 6,000 22:16 | | | |
| 24-24 5:18 22:20 | 60 39:14 | | | |
| 25 13:11 16:9 20:9 | 636 16:11 | | | |
| 20:15,20 21:14,21 | 640 22:22 | | | |
| 282.84 16:4 | | | | |
| 2H 5:19 22:20 | <u>7</u> | | | |
| | 7 5:10 17:13,14 | | | |
| <u>3</u> | 700 22:4 | | | |
| 3 5:6 13:3,4 16:7 | 701 13:10 | | | |
| 19:23 | 78633 2:25 | | | |
| 3/5/2021 5:7 | 78711-2967 3:10 | | | |
| 32 26:11 | 78748 43:22 | | | |
| 320 17:19 | 78767-1945 3:5 | | | |
| 320-acre 17:17 | | | | |
| 330 17:24 | <u>8</u> | | | |
| 335 3:5 | 8 4:4 5:12 18:11,13 | | | |

TAB 3

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

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

Case No. 21794

AFFIDAVIT OF GEOLOGIST ALLEN FRIERSON

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

1. This affidavit and the attached exhibits are submitted in connection with the filing of the above-referenced application, pursuant to 19.15.4 NMAC and the public health emergency protocols implemented by the Division for virtual hearings.

2. I am a petroleum geologist employed as the Geology Manager for Titus Oil & Gas Production, LLC (“Titus”) and familiar with the subject application and geology involved.

3. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology matters. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record. My education and work experience are as follows: I graduated from Washington & Lee University with a bachelor of science degree in geology. I received a master of science degree in geology from the Colorado School of Mines and a master of business administration degree from the University of Oklahoma. I have been employed at Titus as a petroleum geologist since 2017 to the present. Prior to working at Titus, I was with Devon Energy from 2013 to 2017. I have been working on New Mexico oil and gas matters for approximately five years.

4. **Exhibit B-1** is a geological summary for the proposed horizontal spacing unit (“HSU”) and related well, the El Campeon Fed Com 404H (“El Campeon 404H”).

5. **Exhibit B-2** is a locator map with the cross-section indicated.

6. **Exhibit B-3** includes the spacing unit schematic for the above-referenced application, which illustrates the location of the HSU outlined by a red-hashed polygon; the approximate location of the proposed well; and the wells in the two-well cross-section referenced in the stratigraphic cross-section exhibit (Exhibit B-6).

7. **Exhibit B-4** is a Wolfcamp structure map. The red-hashed polygon indicates the proposed HSU. The contour intervals of the structure map are 50' contour intervals and are green lines on the map with depth labels. Data control points are posted in pink. I do not observe any faulting, pinch-outs, or other geologic impediments or hazards to developing this targeted interval with a horizontal well.

8. **Exhibit B-5** is a Wolfcamp A isopach map, which is formatted similarly to the structure map (Exhibit B-4). Contour intervals are 10' on this map. Exhibit B-5 indicates that this well is placed in a zone that is consistently greater than 300' thick for the entirety of the lateral. Exhibit B-5 further supports that there are no interpreted faults, pinch-outs, or other geologic impediments or hazards to developing this targeted interval with a horizontal well.

9. **Exhibit B-6** is a stratigraphic cross-section portraying triple-combo logs. Track 1 is the gamma ray log, which is scaled from 0 to 150 api units. Track 2 consists of neutron (blue) and density (red) porosity logs scaled from 40% to -10%. The green shading on the density porosity log is greater than 6%. Track 3 is the deep resistivity log from 0.2 ohmm to 2000 ohmm. The red shading on the curve is greater than 20 ohmm. A combination of these logs was used to determine "pay" and select the landing zone for the well. The cross-section identifies the key tops used to evaluate the reservoir and landing target for the proposed well. A simplified wellbore is on the cross-section showing the landing target interval in the Northwest to Southeast stratigraphic cross-section.

10. **Exhibit B-7** contains a gunbarrel diagram. This shows the approximate landing zone in reference to the type logs for the area, and the associated spacing of the wellbore within the HSU.

11. The measured depth is approximately 21,460' and the true vertical depth is approximately 12,581' for the well.

12. The true vertical depth of the target formation is approximately 12,645' (Top of Wolfcamp A Shale) to approximately 12,962' (Base of Wolfcamp A Shale) based on the Beckham 19 1 (API: 30025370) type log. The target formation is the same on both sides of the state line.

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

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

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

15. The granting of this Application is in the interests of conservation, the protection of correlative rights, and the prevention of waste.

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

FURTHER AFFIANT SAYETH NAUGHT


Allen Frierson

STATE OF TEXAS)
)ss
COUNTY OF TARRANT)

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




Notary Public

My Commission expires 11-15-2022.

Summary

Stateline Crossing— Lea County, New Mexico

Titus Oil & Gas Production, LLC (“Titus”) seeks an order from the Division approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The HSU will be dedicated to the **El Campeon Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 558’ FSL and 590’ FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10’ FSL and 1912’ FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]). Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The well and lands are located approximately 14 miles southwest of Jal, New Mexico. The **El Campeon Fed Com 404H** will target the Wolfcamp A Shale at an approximate True Vertical Depth of 12,581’.

The well will be drilled from north-to-south for a couple of reasons. Published literature related to the maximum horizontal stress in this part of the Delaware Basin supports a near east-to-west orientation; thus, preferred drilling orientation is orthogonal to this in order to complete a more successful stimulation. Also, this aligns with the remainder of Titus’ planned development in the adjoining tracts, and therefore, doesn’t strand any acreage or reserves.

No depth severances apply.

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

EXHIBIT B-1
TITUS OIL & GAS PRODUCTION LLC
NMOCD NO. 21872
JUNE 17, 2021

Locator Map

With Cross-Section



Pooling outline



Cross-Section line

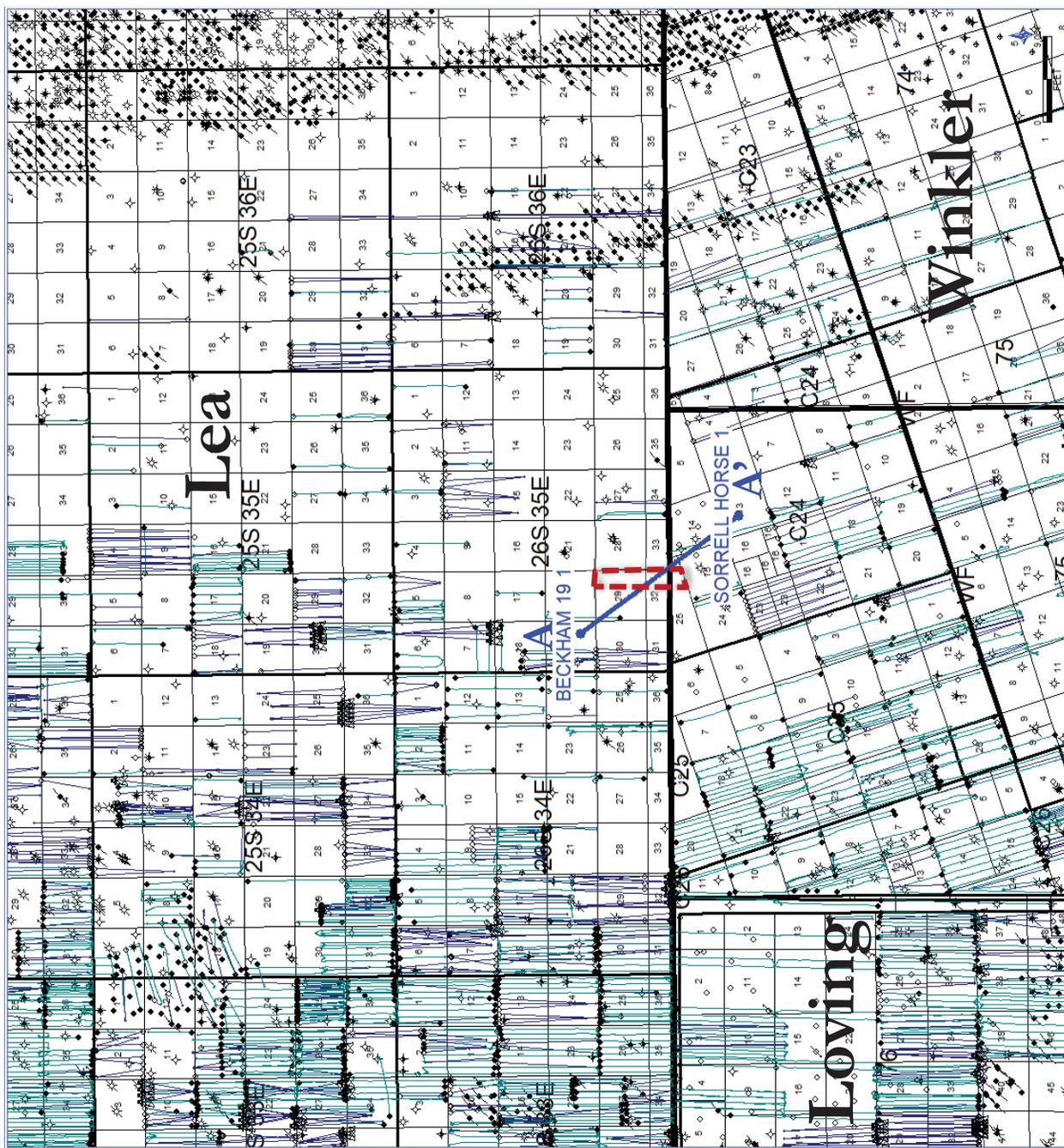
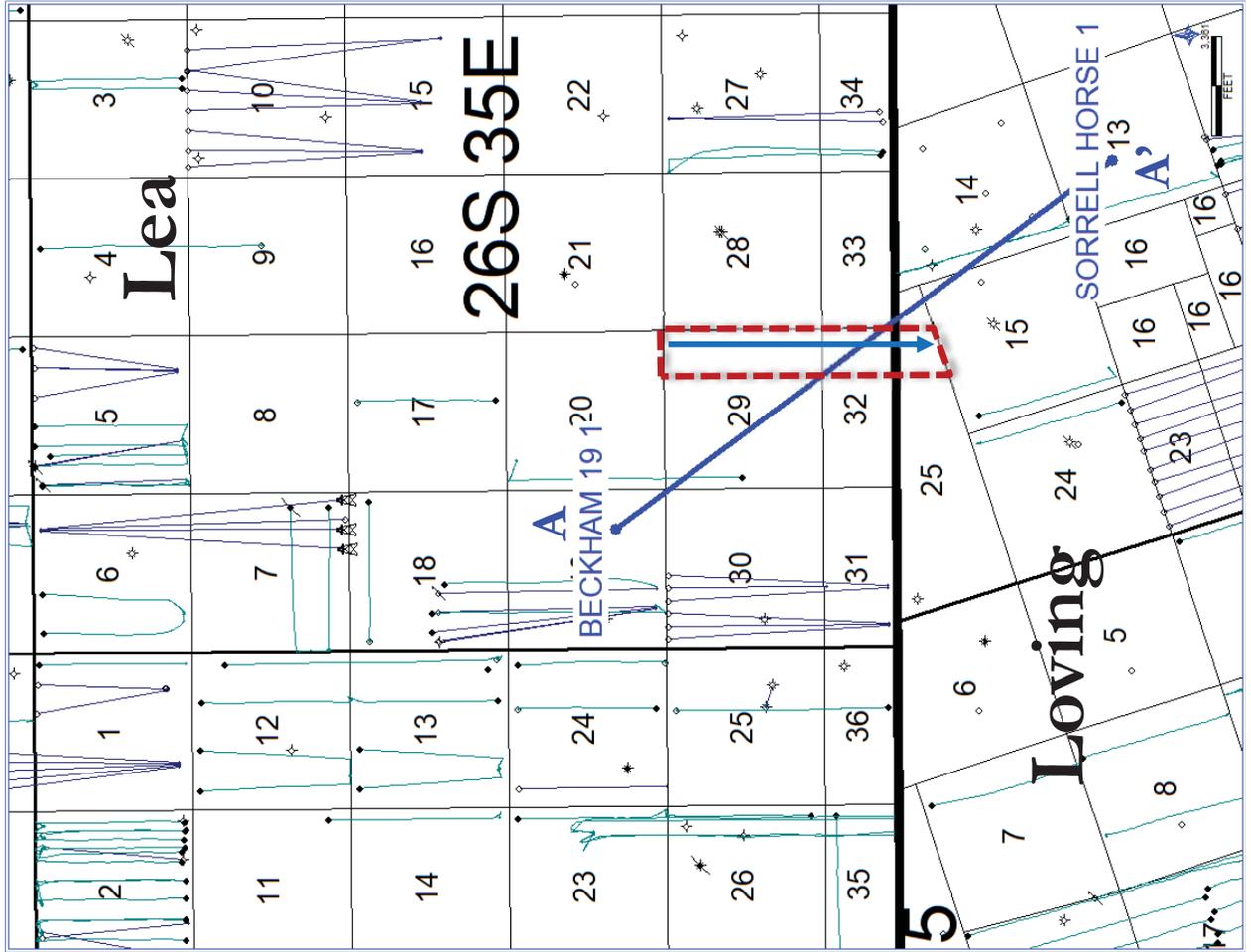


EXHIBIT B-2
 TITUS OIL & GAS
 PRODUCTION LLC
 NMOCD NO. 21872
 JUNE 17, 2021

Spacing Unit Schematic

With Approximate Well Location



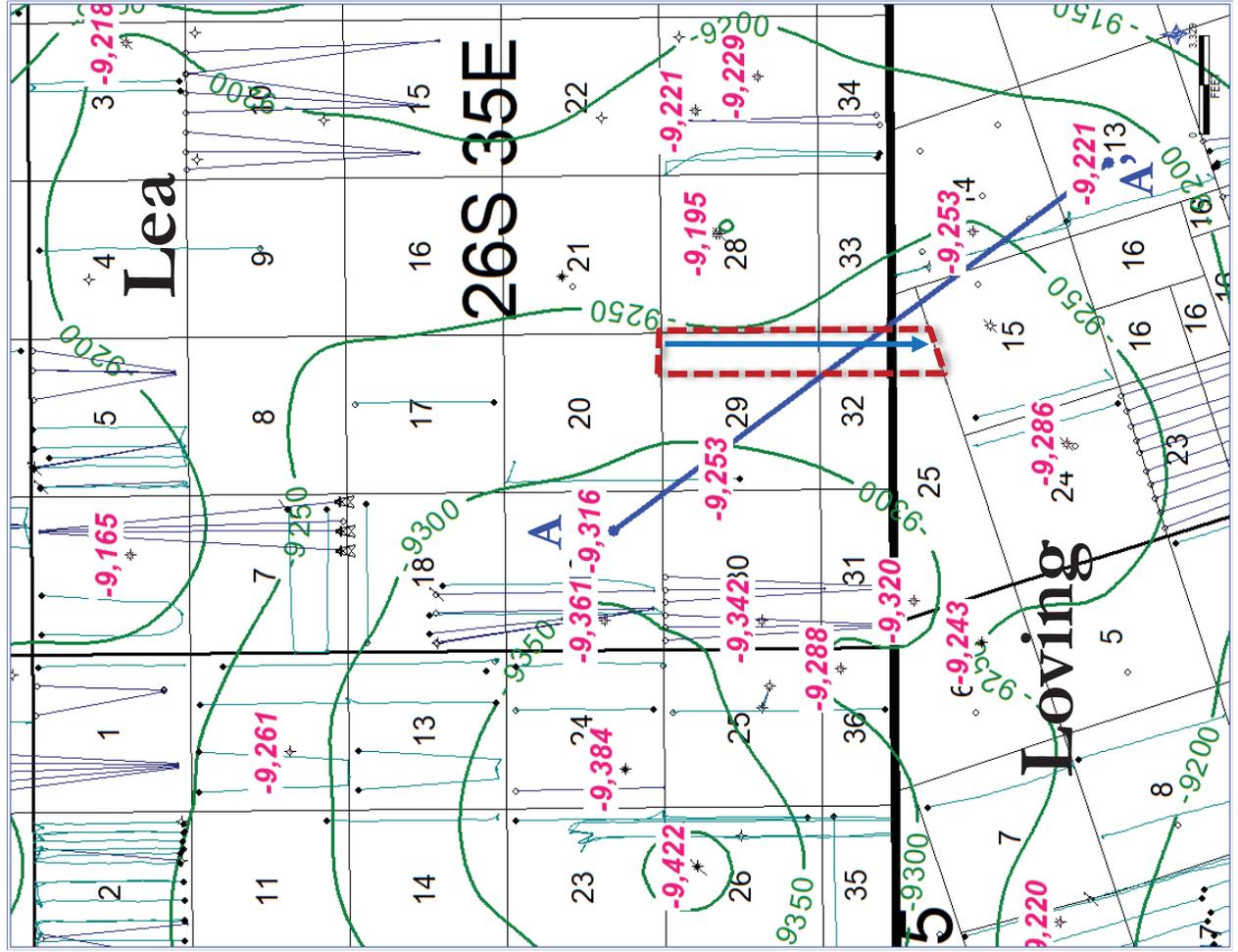
-  Pooling outline
-  Cross-Section line
-  El Campeon Fed Com 404H Wellbore

EXHIBIT B-3
 TITUS OIL & GAS PRODUCTION LLC
 NMOCD NO. 21872
 JUNE 17, 2021

Wolfcamp Structure Map

Contour Interval: 50 ft.

Subsea Dept

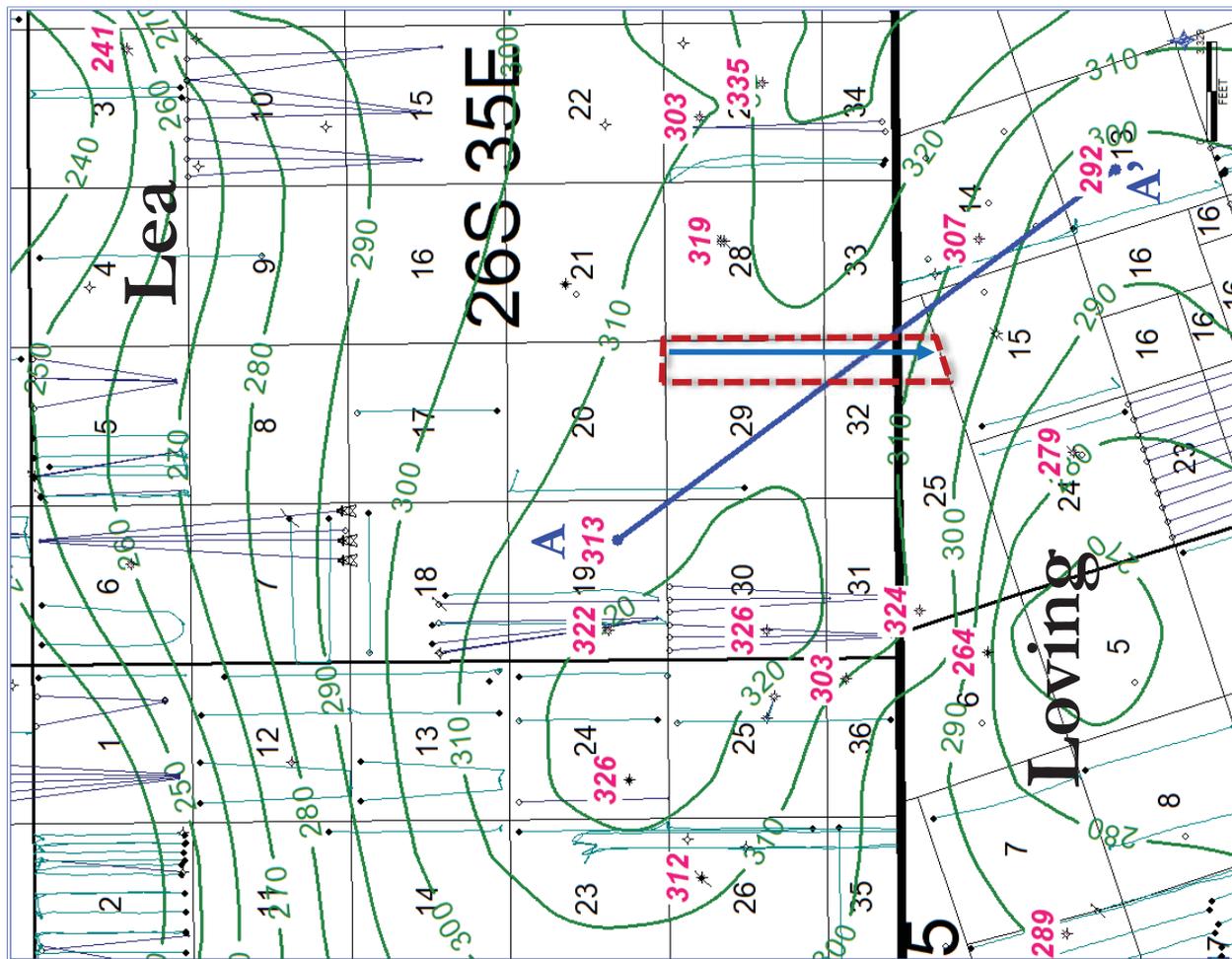


-  Pooling outline
-  Cross-Section line
-  El Campeon Fed Com 404H Wellbore
-  Wolfcamp structure contours
-  Control points

EXHIBIT B-4
 TITUS OIL & GAS PRODUCTION LLC
 NMOCED NO. 21872
 JUNE 17, 2021

Wolfcamp A Isopach Map

Contour Interval: 10 ft.



-  Pooling outline
-  Cross-Section line
-  El Campeon Fed Com 404H Wellbore
-  Wolfcamp isopach contours
-  Control points

EXHIBIT B-5
 TITUS OIL & GAS PRODUCTION LLC
 NMOCDD NO. 21872
 JUNE 17, 2021

HSU Cross-Section

Petrophysical Logs Support Wolfcamp A Shale Target / Landing Zone

T26S R35E S19
3002537080000
BECKHAM 19 1

BC24 S13
42301303570000
SORRELL HORSE 1

A

A'

3BSSS [ANF]

WFMP [ANF]

WFMP_100 [ANF]

WFMP_200 [ANF]

Formation Top Key:
 3BSSS – 3rd Bone Spring Sandstone
 WFMP – Wolfcamp
 WFMP_100 – Wolfcamp A
 WFMP_200 – Wolfcamp B

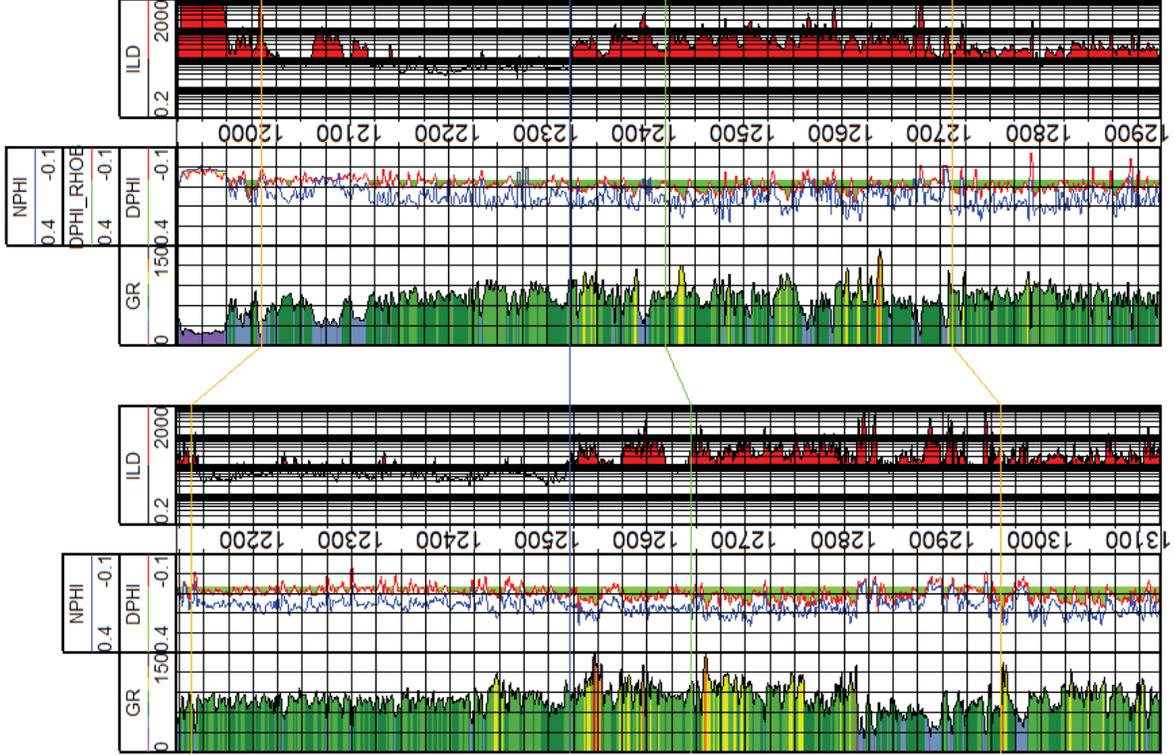


EXHIBIT B-6
 TITUS OIL & GAS PRODUCTION
 LLC
 NMOCD NO. 21872
 JUNE 17, 2021

El Campeon
 Fed Com 404H
 Target
 (Wolfcamp A)

Titus' El Campeon Horizontal Spacing Unit Gunbarrel

El Campeon Fed Com 404H – Wolfcamp A Targets

EXHIBIT B-7
 TITUS OIL & GAS
 PRODUCTION LLC
 NMOCD NO. 21872
 JUNE 17, 2021

LOWER BRUSHY

LEONARD A

LEONARD B

LEONARD C

1ST BONE SPRING SAND

2ND BONE SPRING SHALE

2ND BONE SPRING LIME

2ND BONE SPRING SAND

3RD BONE SPRING LIME

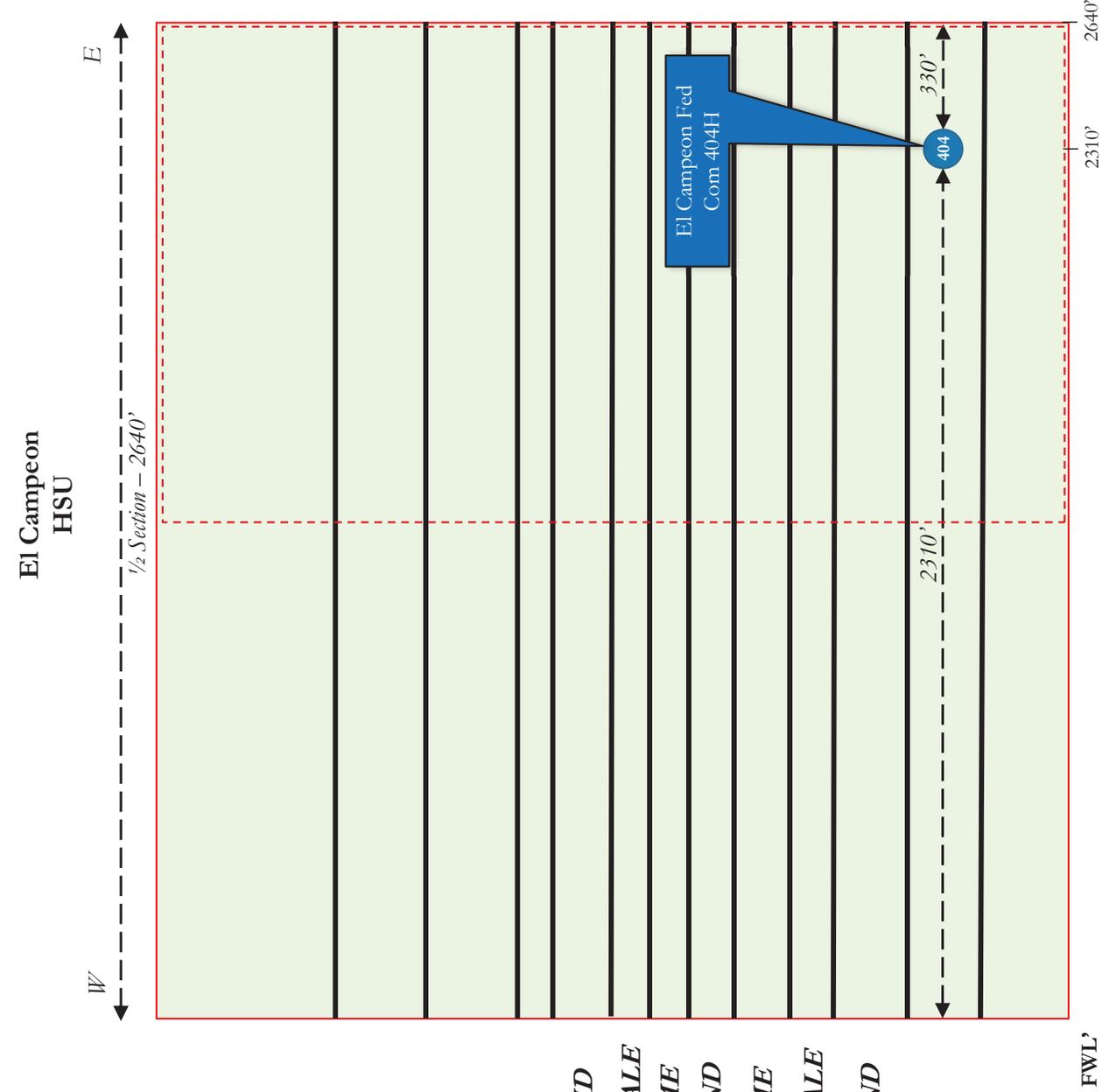
3RD BONE SPRING SHALE

3RD BONE SPRING SAND

WOLFCAMP XY

WOLFCAMP A

WOLFCAMP B



El Campeon
 HSU

1/2 Section - 2640'

El Campeon Fed
 Com 404H

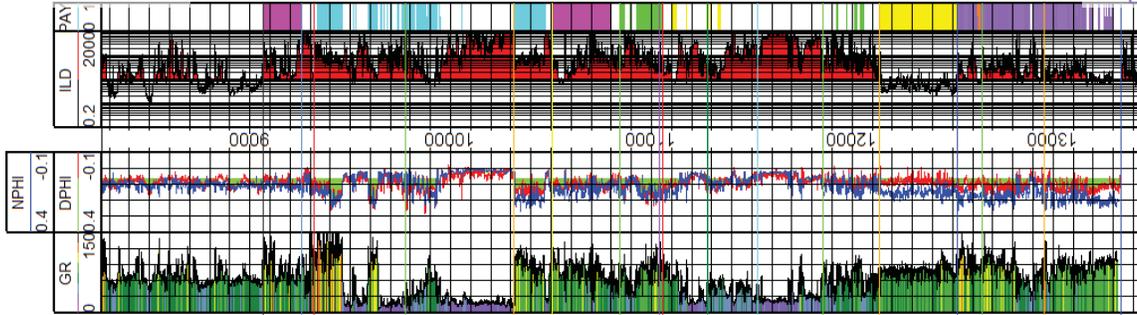
2310'

404'

FWL'

2640'

Beckham 19 1
 Sec. 19 - 26S - 35E



TAB 4

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO**

Case No. 21872

AFFIDAVIT OF ENGINEER MARSHALL HICKEY

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

1. I am an engineer employed as Chief Executive Officer with Titus Oil & Gas Production, LLC (“Titus”), and I am familiar with the subject application and the lands involved.

2. This affidavit and the referenced exhibit(s) are submitted in connection with the filing of the above-referenced application, pursuant to 19.15.4 NMAC and the public health emergency protocols implemented by the Division for virtual hearings.

3. I have not previously testified before the New Mexico Oil Conservation Division as an expert witness. My credentials are as follows: I graduated from the University of Texas in 2011 with a Bachelor of Science in petroleum engineering with honors. From 2011 to 2016, I worked in the oil and gas industry as a petroleum engineer with Marathon Oil Company, specifically serving as reservoir engineer in Wyoming and completions engineer in Texas. From 2016 to 2017, I worked for EnCap Investments, L.P. as a petroleum engineer focused on project economics and reservoir engineering. Since 2017, I have founded and served as chief executive officer of Titus, a Delaware Basin operator, and handled all reservoir engineering duties until late 2020 when we staffed a full-time reservoir engineer. As the chief executive officer of Titus, I have managed the drilling and completion of approximately twenty (20) horizontal wells and an ongoing two rig drilling program.

Exhibit C
Titus Oil & Gas Production LLC
NMOCD NO. 21872
JUNE 17, 2021

4. The stress in the rock in this area of the Delaware Basin is such that the orientation of the wells should be north/south. It is not economic to drill short north/south laterals in the eastern portion of irregular shaped Section 25 in Loving County, Texas. This portion of Section 25 is best developed by drilling a lateral from a surface location in New Mexico.

5. Previous development in Texas occurred south to north, but stopped short of Section 25. *See Exhibit A-7 at pdf pages 23-37.* If this portion of Section 25 in Loving County is not developed as proposed in this application, it may not be developed; it would be an undeveloped island. Underlying hydrocarbons will not be developed; rather, such hydrocarbons will be wasted.

6. The proposed development across the state line will result in more recoverable hydrocarbons in New Mexico.

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

8. The granting of this Application is in the interests of conservation, the protection of correlative rights, and the prevention of waste.

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

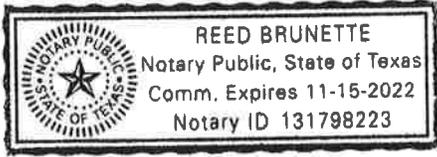
FURTHER AFFIANT SAYETH NAUGHT

Marshall Hickey

Marshall Hickey

STATE OF TEXAS)
)ss
COUNTY OF TARRANT)

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



RLB

Notary Public

My Commission expires 11-15-2022.

TAB 5



9590 9402 1258 5246 3421 29

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

United States
Postal Service

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



MONTGOMERY
& ANDREWS
LAW FIRM

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

Titus/El Campeon Fed Com
404H (21872) – Notice
Letter – 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE
CERTIFIED MAIL



7015 1730 0000 9774 4759
7015 1730 0000 9774 4759

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

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

Certified Mail Fee

\$

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

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

SANTA FE NM
APR 16 2021
Postmark Here
USPO 87504

Postage

\$

Total

\$

Sent

Street

City, State

Occidental Petroleum
5 Greenway Plaza, Suite 110
Houston, TX 77046

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

EXHIBIT A
to Affidavit of Notice

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:

Occidental Petroleum
5 Greenway Plaza, Suite 110
Houston, TX 77046



9590 9402 1258 5246 3421 29

7015 1730 0000 9774 4759

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X CW19

- Agent
- Addressee

B. Received by (Printed Name)

CH

C. Date of Delivery

4/20/21

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

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Registered Mail
- Registered Mail Restricted Delivery (over \$500)

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

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

Domestic Return Receipt



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

9590 9402 1258 5246 3420 06

United States
Postal Service



MONTGOMERY
& ANDREWS
LAW FIRM

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

Titus/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE.
CERTIFIED MAIL



7015 1730 0000 9774 4872
7015 1730 0000 9774 4872

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

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

| | |
|--|----|
| Certified Mail Fee | |
| \$ | |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |

SANTA FE NM
Postmark
APR 16 2021
USPO 87504

Postage
\$
Total
\$
Sent
Street
City

Newkumet, Ltd.
PO Box 11330
Midland, Texas 79702

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Newkumet, Ltd.
PO Box 11330
Midland, Texas 79702



9590 9402 1258 5246 3420 06

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4872

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x *L. P. Maachi* Agent Addressee

B. Received by (Printed Name)

L. P. Maachi

C. Date of Delivery

4/21/21

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

3. Service Type

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

Restricted Delivery



9590 9402 1258 5246 3419 86



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

United States
Postal Service

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



MONTGOMERY
& ANDREWS
LAW FIRM

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

Titus/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

PLEASE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. HOLD AT DOTTED LINE.
CERTIFIED MAIL



7015 1730 0000 9774 4896
7015 1730 0000 9774 4896

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

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

Certified Mail Fee \$
Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$
 Postage \$
 Total P&F \$
 Sent To
 Street a. Sammy L. Morrison, Trustee of
 Sammy & Sibyl Morrison Mineral Trust
 4617 Breezeway Ct.
 Midland, Texas 79707
 City, State
 PS Form 3811, July 2015 PSN 7530-02-000-9053

SANTA FE NM
APR 16 2021
Postmark Here
USPS 87504

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 Sammy L. Morrison, Trustee of
 Sammy & Sibyl Morrison Mineral Trust
 4617 Breezeway Ct.
 Midland, Texas 79707



9590 9402 1258 5246 3419 86

2. Article Number (Transfer from service label)
 7015 1730 0000 9774 4896

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *Sammy Morrison* Agent Addressee
 B. Received by (Printed Name) *Sammy Morrison* C. Date of Delivery
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Adult Signature
 Adult Signature Restricted Delivery
 Certified Mail®
 Certified Mail Restricted Delivery
 Collect on Delivery
 Collect on Delivery Restricted Delivery
 Priority Mail Express®
 Registered Mail™
 Registered Mail Restricted Delivery
 Return Receipt for Merchandise
 Signature Confirmation™
 Signature Confirmation Restricted Delivery

USPS TRACKING#



9590 9402 1258 5246 3420 75

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

United States
Postal Service

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



MONTGOMERY
& ANDREWS
LAW FIRM

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

Titus/El Campeon Fed Com
404H (21872) – Notice
Letter – 15412-2101/STS

PLACE STICKER TOP OF ENVELOPE TO VERIFY
OF THE RETURN ADDRESS IS NOT POSTED IN
CERTIFIED MAIL



7015 1730 0000 9774 4797
7015 1730 0000 9774 4797

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

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

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$

Postage

\$

Total

\$

Sen

Stre

City

PS

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

SANTA FE NM
APR 16 2021
USPO 87504

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

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



9590 9402 1258 5246 3420 75

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4797

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Handwritten Signature]

- Agent
- Addressee

B. Received by (Printed Name)

[Handwritten Name]

C. Date of Delivery

[Handwritten Date]

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

3. Service Type

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

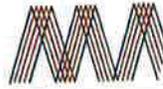


9590 9402 1258 5246 3420 20

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

United States
Postal Service

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



MONTGOMERY
& ANDREWS
LAW FIRM

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

Titus/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE
CERTIFIED MAIL



7015 1730 0000 9774 4858
7015 1730 0000 9774 4858

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

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

| | |
|--|----|
| Certified Mail Fee | |
| \$ | |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |
| Postage | |
| \$ | |
| Total P _c | |
| \$ | |
| Sent To | |
| Street a. | |
| City, Sta | |

Oxy USA, Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SANTA FE NM
APR 16 2021
USPO 87504

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Oxy USA, Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046



9590 9402 1258 5246 3420 20

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4858

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *CV19* Agent Addressee

B. Received by (Printed Name) *Aw Bonner* C. Date of Delivery *4-22-21*

D. Is delivery address different from item 1? Yes No
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



9590 9402 1258 5246 3420 68

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

United States
Postal Service

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



MONTGOMERY
& ANDREWS
LAW FIRM

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

Titus/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS



7015 1730 0000 9774 4810
7015 1730 0000 9774 4810

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

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

| | |
|--|----|
| Certified Mail Fee | |
| \$ | |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |

SANTA FE NM
Postmark
APR 16 2021
Here
USPO 87504

Postage \$
Total Pr \$
Sent To
Street
City, St

Devon Energy Production Company, LP
333 W Sheridan Ave
Oklahoma City, OK 73102

PS Form 3800, April 2012 Edition

Instructions

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Devon Energy Production Company, LP
333 W Sheridan Ave
Oklahoma City, OK 73102



9590 9402 1258 5246 3420 68

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4810

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *S. Alford*

- Agent
- Addressee

B. Received by (Printed Name)

S. Alford

C. Date of Delivery

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



3. Service Type

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

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

Domestic Return Receipt



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

United States
Postal Service

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



MONTGOMERY
& ANDREWS
LAW FIRM

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

Titus/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD ALONG DOTTED LINE.
CERTIFIED MAIL



7015 1730 0000 9774 4827
7015 1730 0000 9774 4827

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT

Domestic Mail Only

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

Certified Mail Fee
\$
Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$

SANTA FE NM
APR 16 2021
Postmark Here
USPO 87504

Postage
\$
Total
\$
Sent
\$
City

Chevron U.S.A., Inc.
6001 Bollinger Canyon Road
San Ramon, CA 94583

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Chevron U.S.A., Inc.
6001 Bollinger Canyon Road
San Ramon, CA 94583



9590 9402 1258 5246 3420 51

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4827

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Bernard Davis* Agent
 Addressee

B. Received by (Printed Name)

Bernard Davis

C. Date of Delivery

4-20-21

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

3. Service Type

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

Restricted Delivery

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

Domestic Return Receipt

USPS TRACKING#



9590 9402 1258 5246 3419 79

United States Postal Service

• 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/El Campeon Fed Com
404H (21872) – Notice
Letter – 15412-2101/STS

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

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

CERTIFIED MAIL



7015 1730 0000 9774 4902
7015 1730 0000 9774 4902

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

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

Certified Mail Fee \$

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

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

SANTA FE NM
Postmark
APR 16 2021
USPO 87504

Pegasus Resources, LLC
2821 West 7th Street, Suite 500
Fort Worth, Texas 76107

Instructions

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Pegasus Resources, LLC
2821 West 7th Street, Suite 500
Fort Worth, Texas 76107

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4902

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee

W. Thomas

B. Received by (Printed Name) *Thomas* C. Date of Delivery *4/21/21*

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

3. Service Type

Adult Signature Priority Mail Express®

Adult Signature Restricted Delivery Registered Mail™

Certified Mail® Registered Mail Restricted Delivery

Certified Mail Restricted Delivery Return Receipt for Merchandise

Collect on Delivery Signature Confirmation™

Collect on Delivery Restricted Delivery Signature Confirmation Restricted Delivery

9590 9402 1258 5246 3419 79

PS Form 3811 July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

USPS TRACKING#

 9590 9402 1258 5246 3420 82

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

United States
 Postal Service

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

 **MONTGOMERY & ANDREWS**
 LAW FIRM

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

Titus/El Campeon Fed Com
 404H (21872) – Notice
 Letter – 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.
CERTIFIED MAIL



7015 1730 0000 9774 4803
 7015 1730 0000 9774 4803

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

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

Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total \$ _____

Sent to: NM Taxation & Revenue Dept.
 1100 South St. Francis Drive
 Santa Fe, NM 87504

Street _____

City _____

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Postmark: SANTA FE NM APR 16 2021 LISPO 87504

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
 NM Taxation & Revenue Dept.
 1100 South St. Francis Drive
 Santa Fe, NM 87504


 9590 9402 1258 5246 3420 82

2. Article Number (Transfer from service label)
 7015 1730 0000 9774 4803

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Agent
 Addressee

B. Received by (Printed Name)
 P. J. Kraul

C. Date of Delivery
 4-23-21

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

Postmark: APR 23 2021 87505

3. Service Type

Adult Signature

Adult Signature Restricted Delivery

Certified Mail®

Certified Mail Restricted Delivery

Collect on Delivery

Collect on Delivery Restricted Delivery

Priority Mail Express®

Registered Mail™

Registered Mail Restricted Delivery

Return Receipt for Merchandise

Signature Confirmation™

Signature Confirmation Restricted Delivery

Restricted Delivery

Domestic Return Receipt



9590 9402 1258 5246 3420 13



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

United States
Postal Service

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

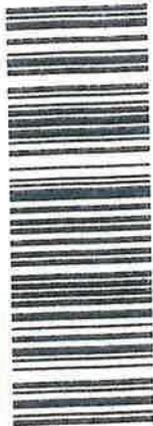


MONTGOMERY
& ANDREWS
LAW FIRM

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

Titus/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

PLACES TAPE HERE TO OPEN ENVELOPE TO THE RIGHT
DO NOT RETURN ADDRESS FOUND AT DOTTED LINE
CERTIFIED MAIL



7015 1730 0000 9774 4865
7015 1730 0000 9774 4865

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

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

Certified Mail Fee

\$
Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$

SANTA FE, NM
APR 16 2015
USPO 87504

Postage

\$
Total \$
Sent to \$
Street
City, State

Franco-Nevada Texas, LP
1745 Shea Center Dr., Suite 400
Highland Ranch, CO 80129

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

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Franco-Nevada Texas, LP
1745 Shea Center Dr., Suite 400
Highland Ranch, CO 80129



9590 9402 1258 5246 3420 13

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4865

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x *Rachelle Clemons*

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

Rachelle Clemons

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

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery

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

Restricted Delivery

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

Domestic Return Receipt

USPS TRACKING #



9590 9402 1258 5246 3419 62

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

United States
Postal Service

• Sender Please print



MONTGOMERY & ANDREWS
LAW FIRM

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

Titus/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

7015 1730 0000 9774 4919

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD DOTTED LINE.

CERTIFIED MAIL



7015 1730 0000 9774 4919

7015 1730 0000 9774 4919

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

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

Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

SANTA FE NM
APR 16 2021
Postmark
USPO 87504

Postage \$ _____

To: McMullen Minerals, LLC
2821 West 7th Street, Suite 500
Fort Worth, Texas 76107

SEE REVERSE FOR INSTRUCTIONS

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
McMullen Minerals, LLC
2821 West 7th Street, Suite 500
Fort Worth, Texas 76107



9590 9402 1258 5246 3419 62

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4919

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature  Agent Addressee

B. Received by (Printed Name) Thomas C. Date of Delivery 4/16/21

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

3. Service Type

Adult Signature Priority Mail Express®

Adult Signature Restricted Delivery Registered Mail™

Certified Mail® Registered Mail Restricted Delivery

Certified Mail Restricted Delivery Return Receipt for Merchandise

Collect on Delivery Signature Confirmation™

Collect on Delivery Restricted Delivery Signature Confirmation Restricted Delivery

Insured Mail

Domestic Return Receipt

USPS TRACKING #



9590 9402 1258 5246 3420 99

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

United States
Postal Service

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



MONTGOMERY
& ANDREWS
LAW FIRM

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

Titus/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

PLACE STICKER AT TOP OF MAILPIECE TO THE RIGHT
OF THE RETURN ADDRESS POSTAGE PAID LINE
CERTIFIED MAIL



7015 1730 0000 9774 4780
7015 1730 0000 9774 4780

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT

Domestic Mail Only

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

| | |
|--|----|
| Certified Mail Fee | \$ |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |

SANTA FE NM
APR 16 2021
Postmark Here
USPO 87504

Postage \$
Total \$ Bureau of Land Management
\$ 414 W. Taylor
Sen Hobbs, NM 88240-1157
Stre
City

PS Form 3811, April 2015 PSN 7530-02-000-9053 See reverse for instructions

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Bureau of Land Management
414 W. Taylor
Hobbs, NM 88240-1157



9590 9402 1258 5246 3420 99

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4780

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
X BLM Addressee

B. Received by (Printed Name) C. Date of Delivery
LLR25C19 **4/20/21**

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

3. Service Type Priority Mail Express®
 Adult Signature Registered Mail™
 Adult Signature Restricted Delivery Registered Mail Restricted Delivery
 Certified Mail® Return Receipt for Merchandise
 Certified Mail Restricted Delivery Signature Confirmation™
 Collect on Delivery Signature Confirmation Restricted Delivery
 Collect on Delivery Restricted Delivery

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

Domestic Return Receipt

USPS TRACKING#



9590 9402 1258 5246 3421 12

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

United States
Postal Service

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



MONTGOMERY
& ANDREWS
LAW FIRM

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

Titus/El Campeon Fed Com
404H (21872) – Notice
Letter – 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.
CERTIFIED MAIL®



7015 1730 0000 9774 4766
7015 1730 0000 9774 4766

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

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

| | |
|--|----|
| Certified Mail Fee | |
| \$ | |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |

SANTA FE NM
APR 15 2021
Postmark Here
USPO 87504

| | |
|--|------------------------------|
| Postage | |
| \$ | |
| Total | \$ |
| Sent | |
| Street | |
| City, State | |
| PS Form 3811, July 2015 PSN 7530-02-000-9053 | See Reverse for Instructions |

Texas Comptroller of Public Accounts
P.O. Box 13528, Capitol Station
Austin, TX 78711-3528

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:
Texas Comptroller of Public Accounts
P.O. Box 13528, Capitol Station
Austin, TX 78711-3528



9590 9402 1258 5246 3421 12

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4766

COMPLETE THIS SECTION ON DELIVERY

| | |
|--|------------------------------------|
| A. Signature | |
| X | <input type="checkbox"/> Agent |
| | <input type="checkbox"/> Addressee |
| B. Received by (Printed Name) | C. Date of Delivery |
| | |
| D. Is delivery address different from item 1? <input type="checkbox"/> Yes | |
| If YES, enter delivery address below: <input type="checkbox"/> No | |

| | |
|--|---|
| 3. Service Type | |
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input checked="" type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Registered Mail | |
| <input type="checkbox"/> Registered Mail Restricted Delivery | |



[FAQs >](#)

[Track Another Package +](#)

Tracking Number: 70151730000097744766

[Remove X](#)

Your item has been delivered and is available at a PO Box at 9:11 am on April 26, 2021 in AUSTIN, TX 78711.

Delivered, PO Box

April 26, 2021 at 9:11 am
AUSTIN, TX 78711

Texas Comptroller of Public Accounts
P.O. Box 13528, Capitol Station
Austin, TX 78711-3528

[Feedback](#)

Get Updates

Text & Email Updates

Tracking History

Product Information

See Less

Can't find what you're looking for?

Go to our [FAQs](#) section to find answers to your tracking questions.

USPS TRACKING#



9590 9402 1258 5246 3421 05

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

United States
Postal Service



MONTGOMERY
& ANDREWS
LAW FIRM

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

Titus/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE
CERTIFIED MAIL®



7015 1730 0000 9774 4773
7015 1730 0000 9774 4773

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

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

| | |
|--|----|
| Certified Mail Fee | |
| \$ | |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |

SANTA FE NM
APR 16 2021
Postmark Here
USPO 81504

Postage
\$ Total Railroad Commission of Texas
\$ Sent 1701 N. Congress
\$ Street Austin, Texas 78701
\$ City

PS Form 3800, April 2013 PSN 7530-02-000-9047 See reverse for instructions

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:
Railroad Commission of Texas
1701 N. Congress
Austin, Texas 78701



9590 9402 1258 5246 3421 05

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4773

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
X Addressee

B. Received by (Printed Name) C. Date of Delivery

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

3. Service Type
- | | |
|--|---|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input checked="" type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |

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

Domestic Return Receipt

USPS Tracking®

[FAQs >](#)

Track Another Package +

Tracking Number: 70151730000097744773

[Remove X](#)

Your item has been delivered and is available at a PO Box at 6:25 am on April 22, 2021 in AUSTIN, TX 78711.

Delivered, PO Box

April 22, 2021 at 6:25 am
AUSTIN, TX 78711

Railroad Commission of Texas
1701 N. Congress
Austin, TX 78701

[Feedback](#)

Get Updates 

Text & Email Updates



Tracking History



Product Information



See Less 

Can't find what you're looking for?

Go to our [FAQs](#) section to find answers to your tracking questions.



9590 9402 1258 5246 3420 37

United States Postal Service

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

• See reverse for address and ZIP+4® in this box®



MONTGOMERY & ANDREWS LAW FIRM

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

Titus/El Campeon Fed Com 404H (21872) - Notice Letter - 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE. CERTIFIED MAIL®



7015 1730 0000 9774 4841 7015 1730 0000 9774 4841

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

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

Certified Mail Fee

\$

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

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

Postage

\$

Total EOG Resources, Inc. PO Box 4362 Houston, TX 77210

Sent

Street

City

PS Form 3811, July 2015 PSN 7530-02-000-9053 See Reverse for Instructions

SANTA FE NM APR 16 2021 USPO 87504

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

EOG Resources, Inc. PO Box 4362 Houston, TX 77210



9590 9402 1258 5246 3420 37

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4841

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

Yes

No

3. Service Type

- Adult Signature
Adult Signature Restricted Delivery
Certified Mail®
Certified Mail Restricted Delivery
Collect on Delivery
Collect on Delivery Restricted Delivery

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

Restricted Delivery

Domestic Return Receipt



[FAQs >](#)

[Track Another Package +](#)

Tracking Number: 70151730000097744841

[Remove X](#)

Your item was picked up at a postal facility at 4:23 am on April 22, 2021 in HOUSTON, TX 77002.

Delivered, Individual Picked Up at Postal Facility

April 22, 2021 at 4:23 am
HOUSTON, TX 77002

EOG Resources, Inc.
PO Box 4362
Houston, TX 77210

[Feedback](#)

Get Updates

Text & Email Updates



Tracking History



Product Information



See Less

Can't find what you're looking for?

Go to our [FAQs](#) section to find answers to your tracking questions.

USPS TRACKING#



9590 9402 1258 5246 3419 93



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

United States
Postal Service

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



MONTGOMERY
& ANDREWS
LAW FIRM

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

Titus/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, SOLD AT DOTTED LINE
CERTIFIED MAIL®



7015 1730 0000 9774 4889
7015 1730 0000 9774 4889

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

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

Certified Mail Fee \$

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

| | | |
|--------------------------|-------------------------------------|----|
| <input type="checkbox"/> | Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> | Return Receipt (electronic) | \$ |
| <input type="checkbox"/> | Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> | Adult Signature Required | \$ |
| <input type="checkbox"/> | Adult Signature Restricted Delivery | \$ |

Postage \$

Total \$

Blue River Minerals, LLC
5950 Cedar Springs Rd Suite 100
Dallas, Texas 75235

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SANTA FE NM
APR 16 2021
USPO 87504
Postmark Here

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:
Blue River Minerals, LLC
5950 Cedar Springs Rd Suite 100
Dallas, Texas 75235

2. Article Number (Transfer from service label)
9590 9402 1258 5246 3419 93
7015 1730 0000 9774 4889

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
X Addressee

B. Received by (Printed Name) C. Date of Delivery

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

3. Service Type

| | | | |
|-------------------------------------|--------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | Adult Signature | <input type="checkbox"/> | Priority Mail Express® |
| <input type="checkbox"/> | Adult Signature Restricted Delivery | <input type="checkbox"/> | Registered Mail™ |
| <input checked="" type="checkbox"/> | Certified Mail® | <input type="checkbox"/> | Registered Mail Restricted Delivery |
| <input type="checkbox"/> | Certified Mail Restricted Delivery | <input checked="" type="checkbox"/> | Return Receipt for Merchandise |
| <input type="checkbox"/> | Collect on Delivery | <input type="checkbox"/> | Signature Confirmation™ |
| <input type="checkbox"/> | Delivery Restricted Delivery | <input type="checkbox"/> | Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> | all Restricted Delivery (over \$500) | | |



[FAQs >](#)

[Track Another Package +](#)

Tracking Number: 70151730000097744889

[Remove X](#)

Your item was delivered to an individual at the address at 12:26 pm on April 20, 2021 in DALLAS, TX 75235.

 **Delivered, Left with Individual**

April 20, 2021 at 12:26 pm
DALLAS, TX 75235

Blue River Minerals, LLC
5950 Cedar Springs Rd.
Suite 100
Dallas, TX 75235

[Feedback](#)

Get Updates 

Text & Email Updates 

Tracking History 

Product Information 

See Less 

Can't find what you're looking for?

Go to our [FAQs](#) section to find answers to your tracking questions.



9590 9402 1258 5246 3420 44

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

United States
Postal Service

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



MONTGOMERY
& ANDREWS
LAW FIRM

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

Titus/NSL Application – El
Campeon Fed Com 404H –
15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.
CERTIFIED MAIL®



7015 1730 0000 9774 4834
7015 1730 0000 9774 4834

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

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

Certified Mail Fee

\$

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

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

SANTA FE NM
APR 16 2021
USPO 87504

Postage

\$

Total

\$

Sent

Street

City

McCombs Energy, LLC
755 E. Mulberry, Suite 600
San Antonio, TX 78212

PS Form 3811, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

McCombs Energy, LLC
755 E. Mulberry, Suite 600
San Antonio, TX 78212



9590 9402 1258 5246 3420 44

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4834

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

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

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery

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



[FAQs >](#)

[Track Another Package +](#)

Tracking Number: 70151730000097744834

[Remove X](#)

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

In Transit to Next Facility

April 24, 2021

McCombs Energy, LLC
755 E. Mulberry, Suite 600
San Antonio, TX 78212

[Feedback](#)

[Get Updates v](#)

Text & Email Updates



Tracking History



April 24, 2021

In Transit to Next Facility

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

April 20, 2021, 12:25 am

Departed USPS Regional Facility
SAN ANTONIO TX DISTRIBUTION CENTER

April 19, 2021, 11:37 am

Arrived at USPS Regional Facility
SAN ANTONIO TX DISTRIBUTION CENTER

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.

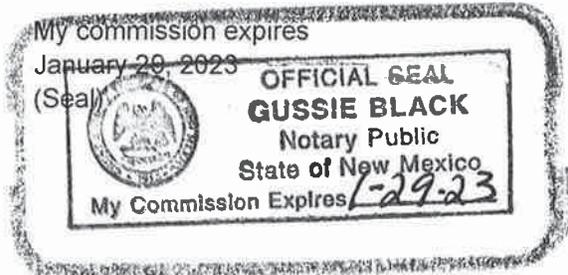


Publisher

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



Business Manager



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:

Occidental Petroleum; Texas Comptroller of Public Accounts; Railroad Commission of Texas; Bureau of Land Management; State Land Office; NM Taxation & Revenue Dept.; Devon Energy Production Company, LP; Chevron U.S.A., Inc.; McCombs Energy, LLC; EOG Resources, Inc.; Oxy USA, Inc.; Franco-Nevada Texas, LP; Newkumet, Ltd.; Blue River Minerals, LLC; Sammy L. Morrison, Trustee of Sammy and Sibyl Morrison Mineral Trust; Pegasus Resources, LLC; McMullen Minerals, LLC.

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

Case No. 21872. Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The HSU will be dedicated to the **EI Campeon Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 558' FSL and 590' FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10' FSL and 1912' FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]). Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas. In addition to considering the allocation of production under Section 70-2-17, the Division may also consider whether approval of a non-standard spacing unit is required under 19.15.16.15(B)(5) NMAC. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Nonetheless, Titus will also be filing an administrative application for approval of a non-standard well location because the last take point will be located in Texas. The well and lands are located approximately 14 miles southwest of Jal, 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. #36432

01101398

00253295

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

EXHIBIT B
to Affidavit of Notice