

**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

**APPLICANT'S SECOND STATUS REPORT AND
REQUEST FOR ORDER OF APPROVAL**

TITUS OIL & GAS PRODUCTION, LLC ("Titus") hereby provides an update on the status of this matter. As explained below, Titus has received an order of approval and permit from the Railroad Commission of Texas ("RRC"). In light of the RRC's approval and the related permit, Titus requests that an order approving the application be entered with similar conditions. In support of this request, Titus states as follows:

1. Background facts and procedural history are stated in Titus's previous status report, which was filed with the Division on August 18, 2021.
2. On August 24, 2021, the Railroad Commission of Texas ("RRC") issued a Final Order approving Titus's application for a permit and exception to Texas's Statewide Rule 37 to drill the El Campeon Fed Com Well No. 404H across the interstate line between New Mexico and Texas. *See* Exhibit 3, attached hereto; *see also* Exhibit 4, attached hereto (providing notice of Final Order). A permit was issued accordingly. *See* Exhibit 5, attached hereto.
3. Titus now has all necessary Texas approvals to drill the El Campeon Fed Com 404H into Texas. Contrary to previous understanding, please be advised that Texas requests, but has not required a memorandum of understanding with New Mexico prior to issuing its approvals. A future memorandum of understanding is for the purpose of guidance for similar

wells that may be proposed in the future. Titus has been advised that applications to drill such wells will not necessarily need to be referred to the RRC for hearing going forward.

4. The approval requested in this matter pertains only to one well, the El Campeon 404H, which will be drilled from New Mexico into Texas, in compliance with all New Mexico and Texas regulations. *See generally* Application.

5. Applicant's landman Walter Jones has obtained additional information about interstate wells drilled in other states. Mr. Jones submits herewith a supplemental affidavit detailing his communications with the West Virginia Department of Environmental Protection Office of Oil and Gas ("WVDEP Office of Oil and Gas"), among others. *See* Exhibit 6, attached hereto. Mr. Jones spoke with Taylor Brewer, Assistant Chief of Permitting with the WVDEP Office of Oil and Gas, regarding interstate wells drilled in Pennsylvania into West Virginia. Mr. Brewer provided Mr. Jones with an example of the memorandum of understanding that the WVDEP Office of Oil and Gas enters into with an operator who drills an interstate well into West Virginia. *See id.*, Exhibit A, attached thereto. Mr. Brewer can be reached at the WVDEP Office of Oil and Gas, 601 57th Street, SE, Charleston, WV 24304, 304-926-0499 ext. 41108, charles.t.brewer@wv.gov. *See id.* ¶ 4.

6. In addition, Mr. Jones obtained a well permit relating to an interstate well drilled in Pennsylvania by EQT Production Company, Permit Number 37-059-28095, Farm Name & Well Number Soles 4H. *Id.* ¶ 5. This permit, along with a map depicting the location of the well, is attached to Mr. Jones' supplemental affidavit as Exhibits B and C. Data relating to this well may be obtained from the Pennsylvania Department of Environmental Protection website by entering the last eight digits of the permit number. *See id.* ¶ 6.

7. Mr. Jones also corresponded with Melissa Visnikar at Pennsylvania Oil and Gas Management, who informed Mr. Jones that when a well is being drilled from Pennsylvania into an adjoining state, Pennsylvania notifies the adjoining state that the well will be penetrating the adjoining state by reference to the pertinent application and plat. Likewise, when a well penetrates Pennsylvania from an adjoining state, the state in which the well is being drilled shares information with Pennsylvania in the same manner. Ms. Visnikar can be reached at (412) 442-4008. *Id.* ¶ 7.

8. Counsel for interested party Pegasus Resources, LLC (“Pegasus”) and for Fortis Minerals II, LLC, and Santa Elena Minerals IV, LP (Harold Hensley from Kelly Hart; Dana Hardy and Michael Rodriguez from Hinkle Shanor) entered appearances in this matter on August 27, 2021. As a mineral interest owner in the proposed spacing unit, Pegasus received notice of this application and of the related administrative application for a non-standard location.¹ Pegasus owns Texas minerals that will not be developed unless interstate production occurs. Leaving these minerals undeveloped would result in waste. Titus understands that Pegasus will be filing papers today in support of the application, requesting approval.

9. As previously explained, allowing the El Campeon 404H to cross the state line will result in the recovery of more hydrocarbons in the State of New Mexico, thus protecting correlative rights. *See* Affidavit of Engineer Marshall Hickey ¶ 6, attached as Exhibit C to Titus’s Exhibits previously submitted on June 19, 2021 [page 93 of 119].

10. In light of the RRC’s recent order and approved permit, it is Titus’ understanding that Texas requests, but does not require a memorandum of understanding with New Mexico

¹ Pegasus’s minerals are leased to the sole working interest owner of the Texas minerals at issue, OXY. The joint operating agreement between Titus and OXY was previously filed in this matter on July 9, 2021, as Supplemental Exhibit A-9.

prior to issuing future state line crossing well approvals. A future memorandum of understanding would be for the purpose of guidance for similar wells that may be proposed in the future. Titus has been advised by the RRC that they would likely administratively approve future state line crossings for similar wells in Section 25, Block C24 of Loving County, NM and those applications will not necessarily need to be referred to the RRC for hearing going forward. See Exhibit 6 ¶ 8,

11. This well is on Titus's drilling schedule in September 2021.

In light of these circumstances, Titus requests that the Division enter an order approving the application within sufficient time for Titus to drill the El Campeon 404H in accordance with its current drilling schedule.²

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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² Titus previously submitted a proposed order as Exhibit 2 to the status report filed on August 18, 2021 for the Division's consideration.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on September 1, 2021:

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**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**

FINAL ORDER

The Commission finds that after statutory notice the captioned proceeding was heard by an Administrative Law Judge Ezra A. Johnson and Technical Examiner Austin Gaskamp on April 13, 2021. The proceeding having been duly submitted to the Railroad Commission of Texas ("Commission") at conference held in its offices in Austin, Texas, the Commission makes the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

1. On February 22, 2021, Titus Oil & Gas Production, LLC ("Titus"), filed a Form W-1 ("Application") for the El Campeon Fed Com Lease, Well No. 404H, Phantom (Wolfcamp) Field ("Field"), Loving County, Texas.
2. The minimum lease-line spacing applicable to the Field is 330 feet perpendicular to the path of a horizontal well and 100 feet from the first and last take point parallel to the path of a horizontal well.
3. Titus's Form P-5 is Active. Titus has a \$50,000 bond as its financial assurance.
4. On March 5, 2021, Staff with the Drilling Permits Department of the Commission ("Staff") informed the Hearings Division, that "Staff does not feel that this application can be administratively approved, and the applicant wishes the matter to go to hearing."
5. On March 23, 2021, the Hearings Division sent a Notice of Hearing ("Notice") to Titus, the Texas Comptroller of Public Accounts, the New Mexico State Land Office, the New Mexico Energy, Minerals and Natural Resources Department, the New Mexico Taxation and Revenue Department and the United States Bureau of Land Management, setting a hearing for April 13, 2021. The Notice contains (1) a statement of the time, place, and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be held; (3) a reference to the particular sections of the statutes and rules involved; and (4) a short and plain statement of the matters asserted.
6. The hearing was held on April 13, 2021, as noticed. Applicant appeared and participated at the hearing, along with Occidental Petroleum and Staff. No one appeared in protest.

EXHIBIT 3

7. The off-lease surface location of the subject well is proposed to be located 558 feet from the south survey line and 590 feet from the east survey line of Section 20, T26S-R35 East, Lea County New Mexico.
8. The off-lease penetration point and first take point of the subject well in the proposed correlative interval will be located off lease 100 feet from the north survey line and 330 feet from the east survey line of Section 29 T26S-R35 East, Lea County New Mexico ("Section 29").
9. The last take point of the subject well in the proposed correlative interval will be located 100 feet from the south survey and lease line and 1,883 feet from the east survey and lease line in Section 25, Bock C24, Public School Land Survey ("Texas Section 25").
10. The terminus of the subject well in the proposed correlative interval will be located 10 feet from the south survey and lease line and 1,912 feet from the east survey and lease line in Texas Section 25.
11. The United States Bureau of Land Management has authority to manage 100% of the mineral rights in and to Section 29.
12. The State of New Mexico holds 100% of the mineral rights in and to Section 32, T26S-R35 East, Lea County New Mexico ("Section 32").
13. Titus holds 100% ownership interest in contractual leasehold rights as to Section 29 and Section 32.
14. Pegasus Resources, LLC; Chisos Minerals, LLC and Fortis Minerals II, LLC, own 253 net royalty acres in Texas Section 25 and filed an amicus curiae in support of the Application.
15. Occidental Petroleum ("OXY") holds 100% ownership interest in contractual leasehold rights as to Texas Section 25.
16. Titus and OXY have entered into a joint operating agreement ("JOA") for the drilling and operation of the subject well in Texas Section 25. Titus is designated in the JOA as "Operator," and OXY is designated as "Non-Operator".
17. The standard for determining whether the operator is entitled to a permit is whether the operator has a "good faith claim" to operate.
18. A "good faith claim" is defined in Commission Statewide Rule (15)(a)(5) as "a factually supported claim based on a recognized legal theory to a continuing possessory right in the mineral estate, such as evidence of a currently valid oil and gas lease or a recorded deed conveying a fee interest in the mineral estate."
19. Titus provided evidence sufficient to show a factually supported claim to a continuing right to operate the subject well on Texas Section 25.

20. Titus proposes to allocate production from the well based on either surface acreage assigned to the well or wellbore length within the acreage assigned.
21. The proposed alternatives for allocation of production from the subject well are reasonable.
22. Production from the subject well will be allocated on a basis mutually acceptable to public agencies having jurisdiction in Texas and New Mexico.
23. Titus requested an exception to Statewide Rule 37¹ in order to perforate the subject well within one foot of the north lease line, being the north boundary of Texas Section 25.
24. State Rule 37 requires and applicant seeking an exception to the minimum lease-line spacing requirement to file a list of the mailing addresses of all affected persons, who, for tracts closer to the well than the minimum lease-line spacing distance, include: (i) the designated operator; (ii) all lessees of record for tracts that have no designated operator; and (iii) all owners of record of unleased mineral interests.
25. OXY is the only affected person under Statewide Rule 37. OXY was not provided notice of the hearing but participated as an observer and later signed the JOA.
26. Texas Section 25 an irregular polygon (its West to East distance at its longest point is significantly longer than its North to South distance at its longest point). The northern Boundary of Texas Section 25 lies directly on the Texas-New Mexico state line.
27. All of the wells targeting the Wolfcamp Formation in the area of Texas Section 25 are drilled with horizontal laterals on a north/south axis.
28. Texas Section 25 runs about 4,200 feet in the longest portion of a north/south orientation.
29. Factoring in the required lease-line spacing minimums, it is not economical to drill a horizontal completion solely within Texas Section 25 on a north/south axis.
30. Lands adjacent to Texas Section 25 are leased to third parties and the acreage is assigned to existing horizontal wells permitted in the Field.
31. If the Application is not approved, available hydrocarbon reserves under Texas Section 25 may go unrecovered.
32. The subject well, as proposed, will promote orderly development of the field, prevent waste, and protect correlative rights.

¹ 16 Tex. Admin Code §3.37.

- 33. The Applicant has waived the issuance of a Proposal for Decision and Examiners' Report in this docket.

CONCLUSIONS OF LAW

- 1. Proper notice of hearing was timely issued to appropriate persons entitled to notice, or has been waived in writing by executing a joint operating agreement.
- 2. Resolution of this docket is a matter committed to the jurisdiction of the Commission. Tex. Gov't Code § 81.051.
- 3. Titus has a good faith claim to drill the El Campeon Fed Com Lease, Well No. 404H, Phantom (Wolfcamp) Field, Loving County, Texas.
- 4. The subject well, as proposed, will prevent waste and protect correlative rights.
- 5. The requested exception to Statewide Rule 37 is unopposed and should be granted pursuant to 16 Tex. Admin Code §3.37(h)(2).

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of Titus Oil & Gas Production, LLC for a permit and exception to Statewide Rule 37 to drill the El Campeon Fed Com Lease, Well No. 404H, Phantom (Wolfcamp) Field, Loving County, Texas is hereby **APPROVED**, subject to the conditions identified below, at the following location:

- **Surface Location:** (Off lease) 558 feet from the south survey line and 590 feet from the east survey line of Section 20, T26S-R35 East, Lea County New Mexico.
- **Penetration Point Location:** (Off lease) 100 feet from the north survey line and 330 feet from the east survey line of Section 29 T26S-R35 East, Lea County New Mexico.
- **Terminus Location:** 10 feet from the south survey and lease line and 1,912 feet from the east survey and lease line in Section 25, Bock C24, Public School Land Survey, Loving County, Texas.

As shown on Attachment A attached to this order.

CONDITIONS

The following conditions are subject to change upon further consultation with the relevant public agencies having jurisdiction over drilling, operating, and producing the subject well.

- 1. **Fresh Water Sand Protection.** The operator must set and cement sufficient surface casing to protect all usable-quality water as defined by the Railroad Commission of Texas (RRC) Groundwater Advisory Unit (GAU). Before drilling a well, the operator must obtain a letter from the Railroad Commission of Texas

- stating the depth to which water needs protection. Write: Railroad Commission of Texas, Groundwater Advisory Unit (GAU), P.O. Box 12967, Austin, Texas 78711-3087. File a copy of the letter with the appropriate district office.
2. **Permit at Drilling Site.** A copy of the Form W-1 (Drilling Permit Application), the location plat, a copy of Statewide Rule 13 alternate surface casing setting depth approval from the district office, if applicable, and this drilling permit must be kept at the permitted well site throughout the drilling operations.
 3. **Notification of Setting Casing.** The operator MUST call in notification to the appropriate district office a minimum of eight (8) hours prior to the setting of surface casing, intermediate casing, AND production casing. The individual giving notification MUST be able to advise the district office of the docket number.
 4. **Producing Well.** Statewide Rule 16 requires that the operator submit a Form W-2 (oil well) or Form G-1 (gas well) to the appropriate Commission district office within thirty (30) days after completion of such well. Completion of the well in a field authorized by this order voids the order for all other fields included in the order unless the operator indicates on the initial completion report that the well is to be a dual or multiple completion and promptly submits an application for multiple completion. All zones are required to be completed before the expiration date of this order.
 5. **Dry or Noncommercial Hole.** Statewide Rule 14(b)(2) prohibits suspension of operations on each dry or noncommercial well without plugging unless the hole is cased and the casing is cemented in compliance with Commission rules. If properly cased, Statewide Rule 14(b)(2) requires that plugging operations must begin within a period of one (1) year after drilling or operations have ceased. Plugging operations must proceed with due diligence until completed. An extension to the one year plugging requirement may be granted under the provisions stated in Statewide Rule 14(b)(2).
 6. **Intention to Plug.** The operator must file a Form W-3A (Notice of Intention to Plug and Abandon) with the district office at least five (5) days prior to beginning plugging operations. If, however, a drilling rig is already at work on location and ready to begin plugging operations, the district director or the director's delegate may waive this requirement upon request, and verbally approve the proposed plugging procedures.
 7. **Notification of Plugging a Dry Hole.** The operator MUST call to notify the appropriate district office a minimum of four (4) hours prior to beginning plugging operations. The individual giving notification MUST be able to advise the district office of the docket number and all water protection depths for that location as stated in the Texas Commission On Environmental Quality letter.
 8. **Plugged Wells.** Should this well ever be plugged and abandoned, the Commission will consider such plugging and abandonment as prima facie

evidence that production from said well is no longer necessary to prevent confiscation of applicant's property or to prevent waste; and upon such plugging and abandonment, the authority for such well as granted under this permit shall cease.

9. **Permit Expiration.** This permit expires two (2) years from the date this order becomes administratively final unless actual drilling operations have begun. The permit period will not be extended.
10. **Acreage Designation.** The applicable sections of Form P-16 (relating to Acreage Designation) will capture only acreage that is being assigned to the well from tracts in Texas. The total acreage being assigned to the well from New Mexico tracts and Texas tracts will be provided in the "Remarks" section of P-16.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 25 days after the order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code § 2001.142, by agreement under Tex. Gov't Code § 2001.147, or by written Commission order issued pursuant to Tex. Gov't Code § 2001.146(e). If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code § 2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law is hereby extended until 100 days from the date the parties are notified of this order in accordance with Tex. Gov't Code § 2001.144.

Signed August 24, 2021.

**Railroad Commission of Texas (Order approved
and signatures affixed by Hearings Division
Unprotested Master Order dated August 24, 2021)**

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

HEARINGS DIVISION'S UNPROTESTED MASTER ORDER

August 24, 2021

At a public conference held at its offices in Austin, Texas, the Commission finds that after statutory notice, the below referenced proceedings were heard by the examiners and that no party appeared in protest to the requested relief. The Final Orders for each of the below referenced dockets are incorporated by reference into this order, and by signing this Master Order, the Commission approves each of the Final Orders and adopts the provisions contained therein.

ITEM NO.	DOCKET NO.	APPLICANT	LEASE, WELL, OR SITE	ORDER TERMS
<u>Amend Field Rules:</u>				
8.	OG-21-00005149 John Moore Kristi M. Reeve	Assent Energy Partners, LLC (Operator No. 035486)	Short Grass Prairie (Cong) Field, Hardeman County, Texas; District 09.	Approve the application.
<u>Statewide Rule 32:</u>				
9.	OG-20-00004502 Ashley Correll Ezra A. Johnson	Verdugo-Pablo Energy, LLC (Operator No. 884574)	Connie West (71078) Lease, Vito (71072) Lease, Platang (San Andres) Field, Yoakum County, Texas; District 8A.	Grant the Exception to SWR 32.
10.	OG-21-00005539 Tariq Ali Jennifer Cook	U.S. Energy Development Corp. (Operator No. 875462)	Monte Lenoso B Pad (19738) Lease, Briscoe Ranch (Eagleford) Field, Frio County, Texas; District 01.	Grant Exception to SWR 32.
11. 12. 13. 15. 15.	OG-20-00005394 OG-20-00005395 OG-20-00005396 OG-20-00005397 OG-20-00005398 Tariq Ali Jennifer Cook	Tall City Operations III LLC (Operator No. 835518)	Various Leases, Various Wells, Hoefs T-K (Wolfcamp) Field, Phantom (Wolfcamp) Field, Reeves County, Texas; District 08.	Grant Exception to SWR 32.
16.	OG-20-00004950 John Moore Jennifer Cook	XTO Energy Inc. (Operator No. (945936)	University Blk 20/21 CTB, Commingle Permit 08-6786, Two Georges (Bone Spring) Field, Winkler County, Texas; District 08.	Grant Exception to SWR 32.
17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33.	OG-20-00002543 OG-20-00002549 OG-20-00002878 OG-20-00002879 OG-20-00002882 OG-20-00002884 OG-20-00002885 OG-20-00002893 OG-20-00002894 OG-20-00002895 OG-20-00002896 OG-20-00002897 OG-20-00002898 OG-20-00002899 OG-20-00002900 OG-20-00002901 OG-20-00002902	Exco Operating Company, LP (Operator No. 256915)	Various Leases, Various Wells, Briscoe Ranch (Eagleford) Field, Dimmit and Zavala Counties, Texas; District 01.	Grant Exception to SWR 32.

HEARINGS DIVISION'S UNPROTESTED MASTER ORDER
August 24, 2021 CONFERENCE
PAGE 2

ITEM NO.	DOCKET NO.	APPLICANT	LEASE, WELL, OR SITE	ORDER TERMS
Statewide Rule 32 (Continued):				
34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67.	OG-20-00002903 OG-20-00002904 OG-20-00002905 OG-20-00002906 OG-20-00002907 OG-20-00002908 OG-20-00002909 OG-20-00002910 OG-20-00002911 OG-20-00002912 OG-20-00002913 OG-20-00002914 OG-20-00002915 OG-20-00002916 OG-20-00002917 OG-20-00002920 OG-20-00002921 OG-20-00002922 OG-20-00002923 OG-20-00002924 OG-20-00002925 OG-20-00002926 OG-20-00002927 OG-20-00002928 OG-20-00002929 OG-20-00002930 OG-20-00002931 OG-20-00002932 OG-20-00002933 OG-20-00002934 OG-20-00002935 OG-20-00002936 OG-20-00002937 OG-20-00003312 John Moore Jennifer Cook	Exco Operating Company, LP (Operator No. 256915) - Continued	Various Leases, Various Wells, Briscoe Ranch (Eagleford) Field, Dimmit and Zavala Counties, Texas; District 01.	Grant Exception to SWR 32.
68.	OG-20-00004861 Petar Buva Kristi M. Reeve	ER Operating Company (Operator No. 238075)	Googins 249 (71606) Lease, Platang (San Andres) Field, Yoakum County, Texas; District 8A.	Grant Exception to SWR 32.
Statewide Rule 36 and 46:				
69.	OG-21-00005811 Austin Gaskamp Kristi M. Reeve	James Lake Midstream LLC (Operator No. 429665)	James Lake Injection (45572) Lease, Well No. 1, Goldsmith (Ellenburger) Field, Ector County, Texas; District 08.	Find that James Lake Midstream, LLC has met the requirements of Statewide Rule 36 and remand the application for administrative consideration.
Statewide Rule 95:				
70.	OG-21-00005946 Austin Gaskamp Ezra A. Johnson	Windland Energy, LLC (Operator No. 931601)	Notrees Storage Unit Lease, Well Nos. 1, 2, and 3, Salado (Storage) Field, Ector County, Texas; District 08.	Approve the Application.

**HEARINGS DIVISION'S UNPROTESTED MASTER ORDER
August 24, 2021 CONFERENCE
PAGE 3**

ITEM NO.	DOCKET NO.	APPLICANT	LEASE, WELL, OR SITE	ORDER TERMS
<u>Unitization and Secondary Recovery Authority:</u>				
71.	OG-20-00005461 John Moore Ezra A. Johnson	Prasad, Hari Production Co. (Operator No. 675948)	Fullerton East Glorieta Clearfork Unit Lease, Fullerton Field, Andrews County, Texas; District 08.	Approve the Application.
<u>Miscellaneous:</u>				
72.	OG-21-00006089 Ezra A. Johnson Austin Gaskamp	Titus Oil & Gas Production, LLC (Operator No. 800622)	El Campeon Fed Com Lease, Well No. 404H, Phantom (Wolfcamp) Field, Loving County, Texas; District 08.	Approve the Application.
<u>Single Signature P-4 Applications (SP4):</u>				
73.	OG-21-00006695 Kristi M. Reeve	Tesuque Oil & Gas LLC (Operator No. 844127)	Mireles, Johnnie (02996) Lease, Well No. 1, Minerva-Rockdale Field, Milam County, Texas; District 01.	Approve change of Operator from Price Operating, LLC (Operator No. 676856) to Tesuque Oil & Gas LLC.
74.	OG-21-00006856 Kristi M. Reeve	Tower Resources Inc. (Operator No. 862857)	Garrison, E.V. et al (11848) Lease, Well Nos. 2608, 2609, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2627, 2628, 2629, 2630, 2631, 2632, 2633, and 2634, Slocum Field, Anderson County, Texas.; District 06.	Approve change of Operator from Leverage Operating, LLC (Operator No. 498751) to Tower Resources Inc.
75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85.	OG-21-00006532 OG-21-00006533 OG-21-00006534 OG-21-00006550 OG-21-00006551 OG-21-00006552 OG-21-00006553 OG-21-00006554 OG-21-00006556 OG-21-00006557 OG-21-00006558 Ezra A. Johnson	Tall Dune Resources, LLC (Operator No. 835525)	Various Leases, Various Wells, Conger (Penn) Field, South (Fusselman) Field, Sterling County, Texas; District 08.	Approve change of operator from Siana Oil & Gas (Operator No. 779259) to Tall Dune Resources, LLC.
86.	OG-21-00006655 Ezra A. Johnson	Cinron Energy, LLC (Operator No. 153512)	Robinson, I. E. (03160) Lease, Well No. 1 T, Coke (Robinson) Field, Wood County, Texas; District 06.	Approve change of operator from Simplex Oil International, LLC (Operator No. 784116) to Cinron Energy, LLC.

**HEARINGS DIVISION'S UNPROTESTED MASTER ORDER
August 24, 2021 CONFERENCE
PAGE 4**

IT IS ORDERED that term of each individual Final Order referenced herein shall become effective when this master order is signed. A copy of this Order shall be affixed to each individual Final Order.

Signed on August 24, 2021.

RAILROAD COMMISSION OF TEXAS

DocuSigned by:
Christi Craddick
1540487DE4CC404

CHAIRMAN CHRISTI CRADDICK

DocuSigned by:
Wayne Christian
C1C740B45416172

COMMISSIONER WAYNE CHRISTIAN

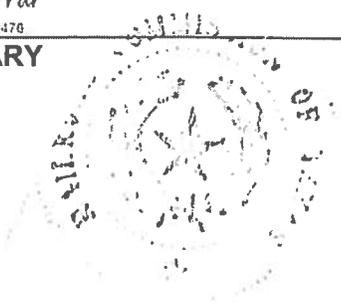
DocuSigned by:
Jim Wright
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COMMISSIONER JIM WRIGHT

ATTEST:

DocuSigned by:
Callie Farrar
3581C80DFDE0478

SECRETARY



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



DANA AVANT LEWIS, DIRECTOR

RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

August 25, 2021

To: Service List

Re: **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; **Final Order**

The Railroad Commission of Texas has acted upon the above-referenced case. Please refer to the attached Final Order for the terms and date of such action. The Final Order will not be final and effective until at least 25 days after the Commission's order is signed. If a Motion for Rehearing is timely filed, the Final Order will not be final and effective until such Motion is overruled. A Motion for Rehearing should state the reasons you believe a rehearing should be granted, including any errors that you believe exist in the Commission's Final Order. If the Motion is granted, the Final Order will be set aside and the case will be subject to further action by the Commission at that time or at a later date.

To be timely, a Motion for Rehearing must be received by the Commission's Docket Services no later than 5:00 p.m. on the 25th day after the date the decision or order that is the subject of the motion was signed to one of the following addresses:

Attn: Docket Services, Hearings Division Railroad Commission of Texas William B. Travis Building, Room 12-123 1701 North Congress Avenue Austin TX 78701	or	Attn: Docket Services, Hearings Division Railroad Commission of Texas PO Box 12967 Austin TX 78711-2967
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Fax or Email transmissions will not be accepted without prior approval from the Administrative Law Judge ("ALJ"). ORIGINAL PLUS TEN copies of the Motion for Rehearing shall be submitted to the ALJ. **PLEASE DO NOT STAPLE COPIES.** In addition, if practical, parties are requested to provide the ALJ with a copy of the Motion for Rehearing in digital format. The digital format should be labeled with the docket number, the title of the document, and the format of the document.

The Railroad Commission of Texas also has a public portal system, known as the **Case Administration Service Electronic System (CASES)** where electronic filings may be filed. You may upload your filing at the following link: <http://www.rrc.texas.gov/hearings/rrc-cases/>

More information and instructions on how to use the CASES system may be found at the following link:
[https://rrctx.force.com/resource/1516708830000/CASES Online Portal Training](https://rrctx.force.com/resource/1516708830000/CASES%20Online%20Portal%20Training)

EXHIBIT 4

Every pleading, plea, motion, or request filed with the Hearings Division shall conform to the requirements of 16 Tex. Admin. Code § 1.32 (Form and Content of Pleadings);

otherwise, it will not be accepted for filing by the Hearings Division. Every motion for rehearing filed with the Hearings Division **MUST** comply with 16 Tex. Admin. Code § 1.128 and must be served to all other parties indicated on the attached Service List in accordance with 16 Tex. Admin. Code § 1.45 (Service in Protested Contested Cases), either in person, by mail or courier, by fax, by e-mail with consent from the ALJ or the Hearings Division Director, or in another manner directed by the ALJ or the Hearings Division Director. At the time of filing, proof of service must include a certificate of service signed by a party or the party's attorney of record or signed and verified if the service is made by any other person. The certificate of service must be attached to the document filed with the Hearings Division.

Please refer to the commission website for more information at <http://www.rrc.texas.gov/general-counsel/rules/current-rules/>. You are responsible to serve all parties indicated on the service list. The Hearings Division will not serve ANY party for you.

Contact for Additional Information – In accordance with Tex. Gov't Code § 2001.061 and 16 Tex. Admin. Code § 1.7, ex parte communications with the Administrative Law Judges, Examiners, and Commissioners are prohibited. Any persons or entities desiring additional information may contact the Commission by writing to the Director, Hearings Division, Railroad Commission of Texas, 1701 North Congress Avenue, P. O. Box 12967, Capitol Station, Austin, Texas 78711-2967. Any persons or entities having clerical questions, such as questions regarding the number of copies of filings, the service list or reviewing the record, may contact **Megan Schimcek** at (512) 463-6793 or megan.schimcek@rrc.texas.gov.

Enclosures:
Service List
Final Order
HD Unprotested Master Order

Service List

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

Via First-Class Mail and Email

George C. Neale
Attorney for Titus Oil & Gas
George C. Neale, Attorneys at Law
PO Box 1945
Austin TX 78767

New Mexico Taxation & Revenue Department
1100 South St. Francis Drive
Santa Fe, NM 87504

New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe NM 87501

Via First-Class Mail

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

Via Email

Todd W. Spake
Clark H. Rucker
P. Taylor Spalla
Attorneys for Pegasus Resources, LLC; Chisos Minerals, LLC and Fortis Minerals II, LLC
Kelly Hart & Hallman LLP
201 Main St Ste 2500
Fort Worth TX 76102

New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Via Intra-Agency Email

RRC District Office 08 - Midland
Joe Stasulli/Sharon Frischen/Zachary Adkins – RRC Austin, Well Compliance
David Cooney – RRC Austin, Office of General Counsel
Alex Schoch – RRC Austin, Office of General Counsel
Lorenzo Garza – RRC Austin, Drilling Permits
Diana A. Lopez – RRC Austin, Drilling Permits
Christopher Houston – RRC Austin, Drilling Permits
Docket Services – RRC Austin

Bureau of Land Management,
New Mexico State Office, Minerals Division
301 Dinosaur Trail
Santa Fe, NM 87508

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



Megan Schimcek, Hearings Division
Railroad Commission of Texas

16 TEX. ADMIN. CODE § 1.7 (Ex Parte Communications):

- (a) *Ex parte communications are prohibited in contested cases as provided in the APA and other applicable rules including the Texas Disciplinary Rules of Professional Conduct.*
- (b) *Each party shall provide all other parties with a copy of all documents submitted to an examiner.*
 - (1) *The attachment of a certificate of service stating that a document was served on a party creates a rebuttable presumption that the named party was provided a copy.*
 - (2) *Failure to provide a copy to all other parties may result in rejection and return of the document without consideration.*

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

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 867822	DATE PERMIT ISSUED OR AMENDED Aug 26, 2021	DISTRICT * 08		
API NUMBER 42-301-35346	FORM W-1 RECEIVED Feb 22, 2021	COUNTY LOVING		
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 282.84		
OPERATOR TITUS OIL & GAS PRODUCTION, LLC 420 THROCKMORTON ST., STE 1150 FORT WORTH, TX 76102-0000		NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581		
LEASE NAME EL CAMPEON FED COM		WELL NUMBER 404H		
LOCATION 20 miles NW direction from KERMIT		TOTAL DEPTH 12581		
Section, Block and/or Survey SECTION <input type="checkbox"/> BLOCK <input type="checkbox"/> ABSTRACT <input type="checkbox"/> SURVEY <input checked="" type="checkbox"/> NEW MEXICO PRINCIPAL MERIDIAN S20 T26S R35E				
DISTANCE TO SURVEY LINES 558 ft. SOUTH 590 ft. EAST		DISTANCE TO NEAREST LEASE LINE ft.		
DISTANCE TO LEASE LINES 558 ft. SOUTH 590 ft. EAST		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below		
FIELD(s) and LIMITATIONS: <p align="center">* SEE FIELD DISTRICT FOR REPORTING PURPOSES * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) ** CASE NO. 0331209</p>				
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE	WELL # NEAREST WE	DIST
----- ** PHANTOM (WOLFCAMP) EL CAMPEON FED COM	282.84	12,581	404H 0	08 ---
----- WELLBORE PROFILE(s) FOR FIELD: Horizontal -----				
RESTRICTIONS: This well is being permitted as a 282.84 acre allocation unit. This well traverses the New Mexico and Texas state line. The acreage that will be produced in Texas will be 49.20 acres. No more than 49.20 acres can be assigned from the tract in Texas. This is a hydrogen sulfide field. Hydrogen Sulfide Fields with perforations must be isolated and tested per State Wide Rule 36 and a Form H-9 filed with the district office. Fields with SWR 10 authority to downhole commingle must be isolated and tested individually prior to commingling production.				
Lateral: TH1 Penetration Point Location Lease Lines: 100.0 F NORTH L 330.0 F EAST L Terminus Location BH County: LOVING Section: 25 Block: C24 Abstract: 701 Survey: PSL/ RUSSELL, W B Lease Lines: 10.0 F SOUTH L 330.0 F EAST L Survey Lines: 10.0 F SOUTH L 1912.0 F EAST L				

EXHIBIT 5

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

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 867822	DATE PERMIT ISSUED OR AMENDED Aug 26, 2021	DISTRICT * 08
API NUMBER 42-301-35346	FORM W-1 RECEIVED Feb 22, 2021	COUNTY LOVING
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Horizontal	ACRES 282.84
OPERATOR TITUS OIL & GAS PRODUCTION, LLC 420 THROCKMORTON ST., STE 1150 FORT WORTH, TX 76102-0000	880622	NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (432) 684-5581
LEASE NAME EL CAMPEON FED COM	WELL NUMBER 404H	
LOCATION 20 miles NW direction from KERMIT	TOTAL DEPTH 12581	
Section, Block and/or Survey SECTION ← BLOCK ← ABSTRACT ← SURVEY ← NEW MEXICO PRINCIPAL MERIDIAN S20 T26S R35E		
DISTANCE TO SURVEY LINES 558 ft. SOUTH 590 ft. EAST		DISTANCE TO NEAREST LEASE LINE ft.
DISTANCE TO LEASE LINES 558 ft. SOUTH 590 ft. EAST		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) ** CASE NO. 0331209		
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE
	WELL # NEAREST WE	DIST
'***' PRECEDING FIELD NAME INDICATES RULE (R37)		
<p align="center">THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</p> <p>This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.</p> <p>This well must comply to the new SWR 3.13 requirements concerning the isolation of any potential flow zones and zones with corrosive formation fluids. See approved permit for those formations that have been identified for the county in which you are drilling the well in.</p>		

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
SWR #13 Formation Data**

LOVING (301) County

Formation	Remarks	Geological Order	Effective Date
RED BLUFF		1	02/09/2020
DELAWARE		2	02/09/2020
BELL CANYON		3	02/09/2020
CHERRY CANYON		4	02/09/2020
BRUSHY CANYON		5	02/09/2020
BONE SPRING		6	02/09/2020
WOLFCAMP		7	02/09/2020
PENNSYLVANIAN		8	02/09/2020
STRAWN		9	02/09/2020
ATOKA	high pressure	10	02/09/2020
MORROW		11	02/09/2020
DEVONIAN		12	02/09/2020
FUSSELMAN		13	02/09/2020
ELLENBURGER		14	02/09/2020
PRECAMBRIAN (UNDIFFERENTIATED)		15	02/09/2020

The above list may not be all inclusive, and may also include formations that do not intersect all wellbores. The listing order of the Formation information reflects the general stratigraphic order and relative geologic age. This is a dynamic list subject to updates and revisions. It is the operator's responsibility to make sure that at the time of spudding the well the most current list is being referenced. Refer to the RRC website at the following address for the most recent information.
<http://www.rrc.texas.gov/oil-gas/compliance-enforcement/rule-13-geologic-formation-info>

Railroad Commission of Texas

PERMIT TO DRILL, RE-COMplete, OR RE-ENTER ON REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

CONDITIONS AND INSTRUCTIONS

Permit Invalidation. It is the operator's responsibility to make sure that the permitted location complies with Commission density and spacing rules in effect on the spud date. The permit becomes invalid automatically if, because of a field rule change or the drilling of another well, the stated location is not in compliance with Commission field rules on the spud date. If this occurs, application for an exception to Statewide Rules 37 and 38 must be made and a special permit granted prior to spudding. Failure to do so may result in an allowable not being assigned and/or enforcement procedures being initiated.

Notice Requirements. Per H.B 630, signed May 8, 2007, the operator is required to provide notice to the surface owner no later than the 15th business day after the Commission issues a permit to drill. Please refer to subchapter Q Sec. 91.751-91.755 of the Texas Natural Resources Code for applicability.

Permit expiration. This permit expires two (2) years from the date of issuance shown on the original permit. The permit period will not be extended.

Drilling Permit Number. The drilling permit number shown on the permit MUST be given as a reference with any notification to the district (see below), correspondence, or application concerning this permit.

Rule 37 Exception Permits. This Statewide Rule 37 exception permit is granted under either provision Rule 37 (h)(2)(A) or 37(h)(2)(B). Be advised that a permit granted under Rule 37(h)(2)(A), notice of application, is subject to the General Rules of Practice and Procedures and if a protest is received under Section 1.3, "Filing of Documents," and/or Section 1.4, "Computation of Time," the permit may be deemed invalid.

Before Drilling

Fresh Water Sand Protection. The operator must set and cement sufficient surface casing to protect all usable-quality water, as defined by the Railroad Commission of Texas (RRC) Groundwater Advisory Unit (GWAU). Before drilling a well, the operator must obtain a letter from the Railroad Commission of Texas stating the depth to which water needs protection, Write: Railroad Commission of Texas, Groundwater Advisory Unit (GWAU), P.O. Box 12967, Austin, TX 78711-3087. File a copy of the letter with the appropriate district office.

Accessing the Well Site. If an OPERATOR, well equipment TRANSPORTER or WELL service provider must access the well site from a roadway on the state highway system (Interstate, U.S. Highway, State Highway, Farm-to-Market Road, Ranch-to-Market Road, etc.), an access permit is required from TxDOT. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

Water Transport to Well Site. If an operator intends to transport water to the well site through a temporary pipeline laid above ground on the state's right-of-way, an additional TxDOT permit is required. Permit applications are submitted to the respective TxDOT Area Office serving the county where the well is located.

*NOTIFICATION

The operator is **REQUIRED** to notify the district office when setting surface casing, intermediate casing, and production casing, or when plugging a dry hole. The district office **MUST** also be notified if the operator intends to re-enter a plugged well or re-complete a well into a different regulatory field. Time requirements are given below. The drilling permit number **MUST** be given with such notifications.

During Drilling

Permit at Drilling Site. A copy of the Form W-1 Drilling Permit Application, the location plat, a copy of Statewide Rule 13 alternate surface casing setting depth approval from the district office, if applicable, and this drilling permit must be kept at the permitted well site throughout drilling operations.

***Notification of Setting Casing.** The operator **MUST** call in notification to the appropriate district office (phone number shown the on permit) a minimum of eight (8) hours prior to the setting of surface casing, intermediate casing, AND production casing. The individual giving notification **MUST** be able to advise the district office of the drilling permit number.

***Notification of Re-completion/Re-entry.** The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of eight (8) hours prior to the initiation of drilling or re-completion operations. The individual giving notification MUST be able to advise the district office of the drilling permit number.

Completion and Plugging Reports

Hydraulic Fracture Stimulation using Diesel Fuel: Most operators in Texas do not use diesel fuel in hydraulic fracturing fluids. Section 322 of the Energy Policy Act of 2005 amended the Underground Injection Control (UIC) portion of the federal Safe Drinking Water Act (42 USC 300h(d)) to define "underground Injection" to *EXCLUDE* " ...the underground injection of fluids or propping agents (*other than diesel fuels*) pursuant to hydraulic fracturing operations related to oil, gas, or geothermal production activities." (italic and underlining added.) Therefore, hydraulic fracturing may be subject to regulation under the federal UIC regulations if diesel fuel is injected or used as a propping agent. EPA defined "diesel fuel" using the following five (5) Chemical Abstract Service numbers: 68334-30-5 Primary Name: Fuels, diesel; 68476-34-6 Primary Name: Fuels, diesel, No. 2; 68476-30-2 Primary Name: Fuel oil No. 2; 68476-31-3 Primary Name: Fuel oil, No. 4; and 8008-20-6 Primary Name: Kerosene. As a result, an injection well permit would be required before performing hydraulic fracture stimulation using diesel fuel as defined by EPA on any well in Texas. Hydraulic fracture stimulation using diesel fuel as defined by EPA on a well in Texas without an injection well permit could result in enforcement action.

Producing Well. Statewide Rule 16 states that the operator of a well shall file with the Commission the appropriate completion report within ninety (90) days after completion of the well or within one hundred and fifty (150) days after the date on which the drilling operation is completed, whichever is earlier. Completion of the well in a field authorized by this permit voids the permit for all other fields included in the permit unless the operator indicates on the initial completion report that the well is to be a dual or multiple completion and promptly submits an application for multiple completion. All zones are required to be completed before the expiration date on the existing permit. Statewide Rule 40(d) requires that upon successful completion of a well in the same reservoir as any other well previously assigned the same acreage, proration plats and P-15s or P-16s (if required) or a lease plat and P-16 must be submitted with no double assignment of acreage unless authorized by rule.

Dry or Noncommercial Hole. Statewide Rule 14(b)(2) prohibits suspension of operations on each dry or non-commercial well without plugging unless the hole is cased and the casing is cemented in compliance with Commission rules. If properly cased, Statewide Rule 14(b)(2) requires that plugging operations must begin within a period of one (1) year after drilling or operations have ceased. Plugging operations must proceed with due diligence until completed. An extension to the one-year plugging requirement may be granted under the provisions stated in Statewide Rule 14(b)(2).

Intention to Plug. The operator must file a Form W-3A (Notice of Intention to Plug and Abandon) with the district office at least five (5) days prior to beginning plugging operations. If, however, a drilling rig is already at work on location and ready to begin plugging operations, the district director or the director's delegate may waive this requirement upon request, and verbally approve the proposed plugging procedures.

***Notification of Plugging a Dry Hole.** The operator MUST call in notification to the appropriate district office (phone number shown on permit) a minimum of four (4) hours prior to beginning plugging operations. The individual giving the notification MUST be able to advise the district office of the drilling permit number and all water protection depths for that location as stated in the Groundwater Advisory Unit letter.

DIRECT INQUIRIES TO: DRILLING PERMIT SECTION, OIL AND GAS DIVISION

PHONE
(512) 463-6751

MAIL:
PO Box 12967
Austin, Texas, 78711-2967

**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

SUPPLEMENTAL 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. I previously submitted an affidavit and exhibits, and testified at hearing, 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. The purpose of this supplemental affidavit is to explain the investigation and research that I have recently conducted regarding interstate wells drilled between other states.

4. On August 27, 2021, I spoke with Taylor Brewer, Assistant Chief over Permitting with the West Virginia Department of Environmental Protection Office of Oil and Gas (“WVDEP Office of Oil and Gas”), regarding interstate wells drilled in Pennsylvania into West Virginia. Mr. Brewer spoke with me about how West Virginia has handled permitting wells drilled across its state line. He said attempts were made by the WVDEP to enter into an agreement with the Pennsylvania Department of Environmental Protection (PADEP), but an agreement was not reached. Alternatively, WVDEP enters into a memorandum of understanding with the operator of the state line crossing well. He noted that operators are allowed to drill future state line crossing wells under the terms of the initial memorandum of understanding. Mr. Brewer also provided me

EXHIBIT 6

with a memorandum of understanding that the WVDEP Office of Oil and Gas entered into with EQT Production Company, an operator that drilled an interstate well into West Virginia. *See* Exhibit A, attached hereto. For further information, Mr. Brewer can be reached at the WVDEP Office of Oil and Gas, 601 57th Street, SE, Charleston, WV 24304, 304-926-0499 ext. 41108, charles.t.brewer@wv.gov.

5. In speaking with Mr. Brewer, I also learned that the permitting occurs in the state in which the well is drilled. In the case of the interstate wells drilled into West Virginia, the permitting state is Pennsylvania. From <https://gis.dep.pa.gov/PaOilAndGasMapping/OilGasWellsStrayGasMap.html>, I obtained a permit of an interstate well drilled in Pennsylvania into West Virginia by EQT Production Company, Permit Number 37-059-28095, Farm Name & Well Number Soles 4H (“PA/WV Interstate Well”). *See* Exhibit B, attached hereto. Using file “Soles 4H_FINAL DWG 11.5.2020.dwg” available on the above GIS map, Titus created a plat depicting the location of the PA/WV Interstate Well, which is attached hereto as Exhibit C.

6. Using the last eight digits of the permit number, *see supra* ¶ 4, additional data regarding the PA/VW Interstate Well, can be obtained through the Pennsylvania Department of Environmental Protection website. *See* <https://www.dep.pa.gov/DataandTools/Reports/Oil%20and%20Gas%20Reports/pages/default.aspx> (last visited Aug. 31, 2001).

7. In addition, I communicated by voicemail with Melissa Visnikar who is employed at the Pennsylvania Oil and Gas Management section. She informed me that when a well is being drilled from Pennsylvania into an adjoining state, Pennsylvania notifies the adjoining state that the well will be penetrating the adjoining state by reference to the pertinent application and

plat. Likewise, when a well penetrates Pennsylvania from an adjoining state, the state in which the well is being drilled shares information with Pennsylvania in the same manner. Ms. Visnikar can be reached at (412) 442-4008..

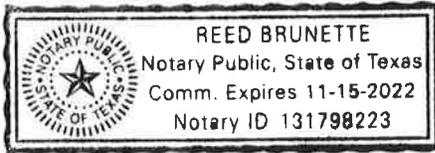
8. In light of the RRC's recent order and approved permit, it is Titus' understanding that Texas requests, but does not require a memorandum of understanding with New Mexico prior to issuing future state line crossing well approvals. A future memorandum of understanding would be for the purpose of guidance for similar wells that may be proposed in the future. Titus has been advised by the RRC that they would likely administratively approve future state line crossings for similar wells in Section 25, Block C24 of Loving County, NM and those applications will not necessarily need to be referred to the RRC for hearing going forward.

FURTHER AFFIANT SAYETH NAUGHT

Walter R. Jones
Walter Jones

STATE OF TEXAS)
)ss
COUNTY OF TARRANT)

Subscribed to and sworn before me this 1st day of September, 2021.



Reed Brunette
Notary Public

My Commission expires 11-15-2022.

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, THE
WEST VIRGINIA OIL AND GAS CONSERVATION COMMISSION, AND
EQT PRODUCTION COMPANY**

This Memorandum of Understanding (“MOU”) is established and entered into by the West Virginia Department of Environmental Protection Office of Oil and Gas (“OOG”), the West Virginia Oil and Gas Conservation Commission (“the Commission”), and EQT Production Company (“EQT”). This MOU is effective as of September 21, 2020.

PARTIES

OOG is the West Virginia agency with the duty and authority to administer West Virginia statutes and rules related to oil and gas drilling.

The Commission is the West Virginia agency responsible for matters relating to the exploration for or production of oil and gas from deep wells.

EQT is an oil and gas exploration and production company that drills and operates wells in the Appalachian Basin.

PURPOSE

This MOU establishes a coordinated relationship between OOG, the Commission, and EQT to address oil and gas drilling and production practices that involve wellbores initiated in Pennsylvania and drilled into West Virginia (each a “Well” and, collectively, the “Wells”). This MOU serves the mutual interests of OOG, the Commission, EQT, and the citizens of West Virginia by establishing a clear and predictable regulatory framework through which EQT can drill and operate its Wells and by protecting the health and safety of the citizens and the natural resources of West Virginia.

EXHIBIT A

AGREEMENT

As to the portion of each Well located in West Virginia, OOG and the Commission shall administer oil and gas drilling in the following manner:

EQT agrees to register as a well operator in West Virginia, and for each permit to drill (as denominated in Pennsylvania pursuant to Pennsylvania law) for construction and drilling of a well in Pennsylvania that will reach into West Virginia, EQT agrees to:

1. Provide to OOG a complete copy of the permit application submitted to the Pennsylvania Department of Environmental Protection (“PA DEP”);
2. Provide to OOG a completed copy of Form WW-6B (Well Work Permit Application); provided that EQT shall not be required to submit information pertaining to items 3 [Farm Name/Surface Owner & Public Road Access], 4 [Elevation, current ground & Elevation, proposed post-construction], 6 [Existing Pad], 21 [Total Area to be disturbed] and 22 [Area to be disturbed for well pad only];
3. Provide to OOG either (i) a copy of the lease or leases or other continuing contract or contracts by which EQT has the right to extract, produce or market the oil or gas or (ii) a completed copy of Form WW-6A1; provided, that EQT shall not be required to provide any leasehold information for acreage located in Pennsylvania;
4. Provide to OOG a copy of the permit granted and under which the operator will perform work;
5. Provide to OOG a plat required under W.Va. Code of St. R. 35-8-6;
6. Provide to OOG an as-drilled plat;

7. Provide to OOG the report required under W.Va. Code of St. R. 35-8-5.11 [area of review];
8. Provide to OOG the notice required under W.Va. Code of St. R. 35-8-9.3 [fracture propagation]; and
9. Provide to OOG the information contained in W.Va. Code of St. R. 35-8-5.7.c.7 [well site safety plan for collision avoidance].

If the Well is considered a “deep well” pursuant to West Virginia Code §§ 22-6-2(g) and 22C-9-2(a)(12), then EQT shall also comply with the provisions of West Virginia Code § 22C-9-1, *et seq.*, by applying for and obtaining approval from the Commission for the Well; provided that EQT shall not be required to obtain and submit a certificate of consent and easement from the owners of the surface as required under § 39-1-4.4.a. of the Rules of the Commission.

OOG, the Commission, and EQT agree that (i) OOG and the Commission do not have the jurisdiction or authority to regulate oil and gas drilling in the Commonwealth of Pennsylvania, (ii) the portion of each Well located in Pennsylvania shall be governed solely by the statutes and rules in effect in Pennsylvania, (iii) the PA DEP is the sole agency with the duty and authority to administer Pennsylvania statutes and rules related to oil and gas drilling, (iv) EQT shall not be required to comply with any West Virginia statutes or rules with respect to the portion of each Well located in Pennsylvania, and (v) EQT shall not be subject to West Virginia statutes or rules that govern, or required to submit plans, reports or documentation relating to, surface disturbance or activity so long as all such surface disturbance and activities occur solely within the Commonwealth of Pennsylvania.

This MOU may be terminated by OOG, the Commission, or EQT on six months written notice. Notice of Termination and all other communications about this MOU shall be addressed as follows:

Director
Office of Oil and Gas
West Virginia Department of Environmental Protection
601 57th St., S.E.
Charleston, WV 25304
304-926-0450
304-926-0452 (facsimile)

WV Oil and Gas Conservation Commission
601 57th Street, SE
Charleston, WV 25304
304-926-0499 x 1274
304-926-0452 (facsimile)

John Zavatchan
Project Specialist – Permitting
EQT Production Company
400 Woodcliff Drive
Canonsburg, PA 15317
724-746-9073
724-745-2418
jzavatchan@eqt.com

This MOU constitutes the sole and entire agreement of the OOG, the Commission, and EQT with respect to the subject matter of this MOU, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to the subject matter hereof.

By mutual consent, all parties agree that this MOU is effective on the date specified on the face of this document and that the signatories below have authority to enter into this MOU.

This MOU may be executed in counterparts, both of which when so executed and delivered shall be deemed to be an original, but both such counterparts together shall constitute one and the same agreement. Delivery of any executed counterpart of a signature page of this MOU by

facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this MOU.



Austin Caperton, Cabinet Secretary
West Virginia Department of Environmental Protection

10/16/2020

Date


[NAME], [TITLE]
West Virginia Oil and Gas Conservation Commission

10/16/20
Date


John Zavatchan, Project Specialist - Permitting
EQT Production Company

9/21/20
Date



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OIL AND GAS MANAGEMENT PROGRAM

DEP USE ONLY	
Permittee's eFACTS ID 159257	Auth ID 1246547
Watershed Name	Quality

WELL PERMIT

Permittee CNX GAS COMPANY, LLC		OGO.# OGO-37312	Permit Number 37-059-27739-00-00	Date Issued 10/31/2018
Address 1000 CONSOL ENERGY DRIVE		Farm Name & Well Number CNX RHL4NHSU		Well Serial # PA0592128HS UT
ATTN: PERMITTING		Municipality Richhill Twp	County Greene	
CANONSBURG, PA 15317		7½' Quadrangle Name Wind Ridge		Map Section # 7
Phone (724) 485-3646	Project #	Latitude 39-54-48.3048	Longitude -80-29-50.9604	
Surf Elev at Site 1216 feet	Anticipated Maximum TVD 11942 feet	Well Type GS	Offset distances referenced to NE corner of map section. South 1184 feet West 10984 feet	

This permit covering the well operator and well location shown above is evidence of permission granted to conduct activities in accordance with the Oil and Gas Act and the Oil and Gas Conservation Law, if the well is subject to that act and any rules and regulations promulgated thereunder, subject to the conditions contained herein and in accordance with the application submitted for this permit. This permit does not convey any property rights.

This permit and the permittee's authority to conduct the activities authorized by this permit are conditioned upon operator's compliance with applicable law and regulations.

Notification must be given to the district oil and gas inspector, the surface landowner and political subdivision of the date well drilling will begin at least 24 hours prior to commencement of drilling activities.

The permittee hereby authorizes and consents to allow, without delay, employees or agents of the Department to have access to and to inspect all areas upon presentation of appropriate credentials, without advance notice or a search warrant. This includes any property, facility, operation or activity governed by the Oil and Gas Act, the Oil and Gas Conservation Law, the Coal and Gas Resource Coordination Act and other statutes applicable to oil and gas activities administered by the Department. The authorization and consent shall include consent to the Department to collect samples of wastewaters or gases, to take photographs, to perform measurements, surveys, and other tests, to inspect any monitoring equipment, to inspect the methods of operation and disposal, and to inspect and copy documents required by the Department to be maintained. The authorization and consent includes consent to the Department to examine books, papers, and records pertinent to any matter under investigation pursuant to the Oil and Gas Act or pertinent to a determination of whether the operator is in compliance with the above referenced statutes. This condition in no way limits any other powers granted to the Department under the Oil and Gas Act and other statutes, rules and regulations applicable to these activities as administered by the Department.

This permit does not relieve the operator from the obligation to comply with the Clean Streams Law and all statutes, rules and regulations administered by the Department.

Special Permit Conditions:

The Operator shall run a complete angular deviation survey of the intentionally deviated well and submit it to the Department with the other information required in the Well Record. The deviation survey is to be obtained by a responsible well surveying company and shall include a well location plat and vertical section of the borehole as drilled that shows comparison to the well location plat and vertical section as permitted.

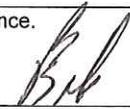
The permittee shall not withdraw or use water from water sources within the Commonwealth of Pennsylvania to hydraulically fracture an unconventional formation unless the permittee does so in accordance with a Water Management Plan approved by the Department.

Any dam embankment utilized to impound freshwater or other fluids approved by the Department associated with drilling and hydraulic fracturing not requiring a permit pursuant to 25 Pa. Code Chapter 105 will be constructed in accordance with Department guidelines 5500-PM-OG0085 entitled, "Design, construction and maintenance standards for dam embankments associated with impoundments for oil and gas wells."

The permittee shall implement the measures outlined in their June 2016 Indiana Bat Conservation Plan, including a commitment to remove trees between October 1 and March 31, the installation of 8 rocket bat boxes, and other specific measures to reduce the short term and long term effects of the project on Indiana Bats.

NOTE: WELL IS LOCATED WITHIN THE OUTSIDE COAL BOUNDARIES OF THE BAILEY COAL MINE.

This permit expires 10/31/2019 unless drilling is commenced on or before that date and prosecuted with due diligence.


Regional Oil and Gas Program Manager

JOEL M KELLER

25 TECHNOLOGY DRIVE
COAL CENTER, PA 15423

724-769-1052

Oil & Gas Inspector

Address

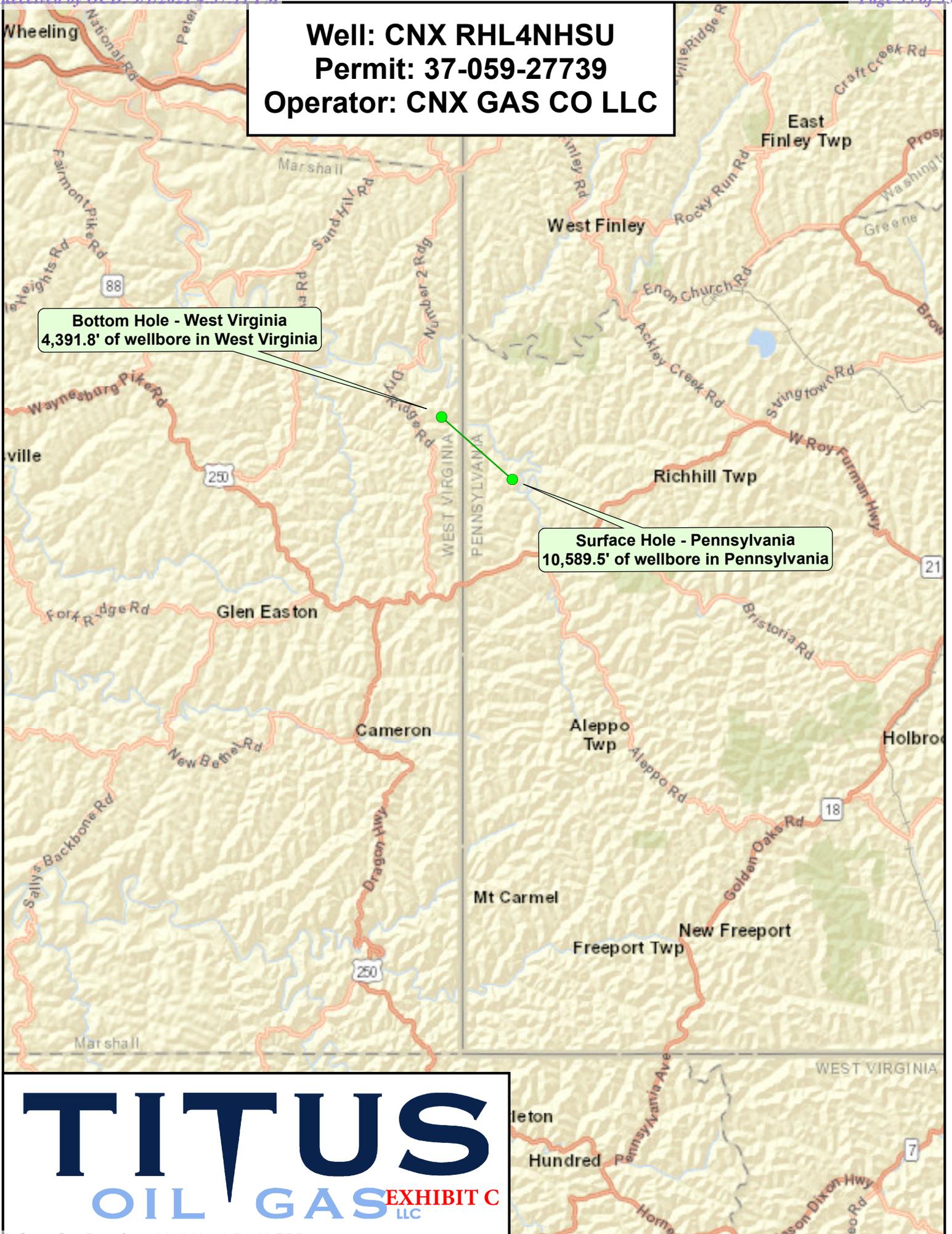
Phone Number

EXHIBIT B

Well: CNX RHL4NHSU
Permit: 37-059-27739
Operator: CNX GAS CO LLC

Bottom Hole - West Virginia
4,391.8' of wellbore in West Virginia

Surface Hole - Pennsylvania
10,589.5' of wellbore in Pennsylvania



TIVUS
OIL GAS EXHIBIT C
LLC