

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

**APPLICATIONS OF MARATHON OIL  
PERMIAN LLC. FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**Case No. 21169  
Case No. 21170  
Case No. 21171  
Case No. 21172  
Case No. 22330  
Case No. 22331  
Case No. 22332**

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

**Case No. 21197  
Case No. 21198  
Case No. 21199**

**PRE-HEARING STATEMENT**

TITUS OIL & GAS PRODUCTION, LLC (“Titus”) provides this Pre-Hearing Statement as required by the rules of the Division.

**APPEARANCES**

**APPLICANT**

TITUS OIL & GAS  
PRODUCTION, LLC

**APPLICANT’S ATTORNEY:**

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**OPPONENT**

MARATHON OIL PERMIAN LLC

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**OTHER INTERESTED PARTY**

CHEVRON U.S.A, INC.

INTERESTED PARTY'S ATTORNEY:

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**STATEMENT OF THE CASE**

Titus's applications in Case Nos. 21197-21199 were filed on September 15, 2021. Marathon Oil Permian LLC ("Marathon") filed competing applications in Case Nos. 21169-21172 on March 3, 2020 and in Case Nos. 22330-22332 on November 2, 2021. These competing applications are set for a status conference on December 16, 2021, to determine another date for a contested hearing. In accordance with the anticipated amended pre-hearing order, Titus will file an amended prehearing statement prior to the contested hearing, summarizing the reasons that its proposals are superior to those of Marathon.

In Case No. 21197, Titus seeks an order from the Division pooling all uncommitted interests in the Bone Spring (Oil) formation (WC-025 G-08 S263412K; Bone Spring [96672]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the

W/2 E/2 of Section 18 and the W/2 E/2 of Section 19, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following well: River Ranch Fed Com 323H well, to be horizontally drilled from an approximate surface hole location 471' FSL and 1947' FEL of Section 7, T26S-R35E, to an approximate bottom hole location 10' FSL and 1652' FEL of Section 19, T26S-R35E. The completed interval and first and last take points for these wells will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 13 miles southwest of Jal, New Mexico.

In Case No. 21198, Titus seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 E/2 of Section 18 and the W/2 E/2 of Section 19, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) River Ranch Fed Com 403H well, to be horizontally drilled from an approximate surface hole location 471' FSL and 2007' FEL of Section 7, T26S-R35E, to an approximate bottom hole location 10' FSL and 2313' FEL of Section 19, T26S-R35E, and (2) River Ranch Fed Com 513H well, to be horizontally drilled from an approximate surface hole location 471' FSL and 1872' FEL of Section 7, T26S-R35E, to an approximate bottom hole location 10' FSL and 1872' FEL of Section 19, T26S-R35E. The completed intervals and first and last take points for these wells will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and

a 200% charge for the risk involved in drilling and completing the well. The wells and lands are located approximately 13 miles southwest of Jal, New Mexico.

In Case No. 21199, Titus seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 320-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 E/2 of Section 18 and the E/2 E/2 of Section 19, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) River Ranch Fed Com 404H well, to be horizontally drilled from an approximate surface hole location 474’ FSL and 627’ FEL of Section 7, T26S-R35E, to an approximate bottom hole location 10’ FSL and 330’ FEL of Section 19, T26S-R35E, (2) River Ranch Fed Com 434H well, to be horizontally drilled from an approximate surface hole location 474’ FSL and 687’ FEL of Section 7, T26S-R35E, to an approximate bottom hole location 10’ FSL and 992’ FEL of Section 19, T26S-R35E, and (3) River Ranch Fed Com 514H well, to be horizontally drilled from an approximate surface hole location 474’ FSL and 560’ FEL of Section 7, T26S-R35E, to an approximate bottom hole location 10’ FSL and 530’ FEL of Section 19, T26S-R35E. The completed intervals and first and last take points for these wells will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The wells and lands are located approximately 13 miles southwest of Jal, New Mexico

In Case Nos. 21169- 21172 and 22330-22332, Marathon seeks to develop the same or overlapping lands.

**PROPOSED EVIDENCE**

**APPLICANT TITUS**

WITNESSES	TIME	EXHIBITS
Landman TBD	Dependent on cross-examination	10-12
Geologist TBD	Dependent on cross-examination	10-12
Engineer TBD	Dependent on cross-examination	10-12

**OPPONENT/APPLICANT MARATHON**

WITNESSES	TIME	EXHIBITS
TBD		

**OTHER INTERESTED PARTY**

WITNESSES	TIME	EXHIBITS
TBD		

**PROCEDURAL MATTERS**

These cases will be heard as a status conference on December 16, 2021, to set a new date for contested hearing of the competing proposals. Assuming no opposition by the time of contested hearing, Applicant Titus will present these matters by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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**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 December 9, 2021:

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
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QUESTIONS

Action 66113

**QUESTIONS**

Operator: Titus Oil & Gas Production, LLC 420 Throckmorton St, Ste 1150 Fort Worth, TX 76012	OGRID: 373986
	Action Number: 66113
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.