

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

**APPLICATION OF TITUS OIL &
GAS PRODUCTION, LCC TO AMEND
ORDER NO. R-21206,
LEA COUNTY, NEW MEXICO**

Case No. _____
**Order No. R-21206
(Re-Open)**

APPLICATION

Titus Oil & Gas Production, LLC, OGRID No. 373986 (“Titus”), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and Troy S. Lawton), hereby files this application with the Oil Conservation Division to amend Order No. R-21206 entered in Case No. 20899 to extend the time for drilling (1) the **Pakse South 24-25-36 Fed Com 321H** well (“Pakse South 321H Well”) and (2) the **Pakse South 24-25-36 Fed Com 322H** well (“Pakse South 322H Well”) approved in Order No. R-21206-A entered in Case No. 21688.¹ In support of its application, Titus states as follows:

1. Order No. R-21206 pooled uncommitted interest owners in the Third Bone Spring formation (Salt Lake; Third Bone Spring [53560]) in a standard 800-acre, more or less, horizontal spacing unit (“HSU”) comprised of the W/2 of Sections 24 and 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico, dedicated to the Pakse South 321H and the Pakse South 322H Wells.
2. Titus is a working interest owner in the HSU and has the right to drill thereon.
3. Order No. R-21206 designated Titus as the operator of the Pakse South 321H Well, the Pakse South 322H Well, and the HSU.

¹ Order No. R-21206 entered in Case No. 20899 is one of three orders relating to Titus’s “Pakse South” well group. By separate applications, Titus is seeking to amend Order No. R-21204 entered in Case No. 20897 and Order No. R-21205 entered in Case No. 20898.

4. In Order No. 21206-A, the Division granted Titus an extension to commence drilling the Pakse South 321H and the Pakse South 322H Wells until April 7, 2022.

5. Titus requests the Division re-open the matter to extend the time to commence drilling the Pakse South 321H and the Pakse South 322H Wells to be no later than April 7, 2023, which will be a one-year extension from the time to commence drilling approved in Order No. R-21206-A.

6. The Division Hearing in the original proceeding, Case No. 20899, was held on February 20, 2020.

7. The Division entered Order No. R-21206 in Case No. 20899 on April 7, 2020.

8. Order No. R-21206, ¶ 19 states: “The Operator shall commence drilling the Well(s) within one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.” Order No. R-21206, ¶ 20 states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by an amendment of this Order for good cause shown.”

9. In Order No. 21204-A, ¶ 7, the Division extended to time for drilling to April 7, 2022. Order No. R-21206-A, ¶ 8 states: “This Order shall terminate automatically if Operator fails to comply with paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-21206 for good cause shown.”

10. Under Order No. R-21206-A, Titus would be required to commence drilling the wells by April 7, 2022.

11. Good cause exists for the Division to grant the extension.

12. Titus requests an extension of time because there have been changes in Titus’s drilling schedule due to current labor shortages and supply chain issues resulting from COVID-19

policies, as well as delays caused by the particular surface challenges associated with the potash area.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 3, 2022, and that, after notice and hearing as required by law, the Division enter an order amending Order No. R-21206 to extend the time to commence drilling (1) the Pakse South 321H Well and (2) the Pakse South 322H Well to be no later than April 7, 2023.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21206, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 20899 for the limited purpose of amending Order No. R-21206 to extend to April 7, 2023, the time to commence drilling (1) the **Pakse South 24-25-36 Fed Com 321H** well and (2) the **Pakse South 24-25-36 Fed Com 322H** well, proposed to be drilled into the Third Bone Spring formation (Salt Lake; Third Bone Spring [53560]) underlying the W/2 of Sections 24 and 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico. The wells and lands are located approximately 33 miles east of Carlsbad, New Mexico.