

**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-21259,
LEA COUNTY, NEW MEXICO**

Case No. _____
**Order No. R-21259
(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-21259 entered in Case No. 21128 to extend the time for drilling the **El Campeon South Fed Com 431H** well (“El Campeon South 431H Well”) approved in Order No. R-21259-B entered in Case No. 21690. In support of its application, Titus states as follows:

1. Order No. R-21259 pooled uncommitted interest owners in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the W/2 SW/4 of Section 29, Township 26 South, Range 35 East, and the NW/4 NW/4 and Lot 4 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the El Campeon South 431H Well.
2. Titus is a working interest owner in the HSU and has the right to drill thereon.
3. Order No. R-21259 designated Titus as the operator of the El Campeon South 431H Well and the HSU.

4. In Order No. 21259-B,¹ the Division granted Titus an extension to commence drilling the El Campeon South 431H Well until April 18, 2022.

5. Titus requests the Division re-open the matter to extend the time to commence drilling the El Campeon South 431H Well to be no later than April 18, 2023, which will be a one-year extension from the time to commence drilling approved in Order No. R-21259-B.

6. The Division Hearing in the original proceeding, Case No. 21128, was held on March 5, 2020.

7. The Division entered Order No. R-21259 in Case No. 21128 on April 18, 2020.

8. Order No. R-21259, ¶ 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-21259, ¶ 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. R-21259-B, ¶ 7, the Division extended the time for drilling to April 18, 2022. Order No. R-21259-B, ¶ 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-21259 for good cause shown.”

10. Under Order No. R-21259-B, Titus would be required to commence drilling the well by April 18, 2022.

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

¹ Order No. 21259-A, issued June 6, 2020, amended an exhibit to the Order, which contained a non-substantive error.

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 issues related to Titus's efforts to drill across the Texas state line.

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-21259 to extend the time to commence drilling the El Campeon South 431H Well to be no later than April 18, 2023.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen _____

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Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21259, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21128 for the limited purpose of amending Division Order No. R-21259 to extend the time to commence drilling, to April 18, 2023, the **El Campeon South Fed Com 431H** well, proposed to be drilled into the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying the W/2 SW/4 of Section 29, Township 26 South, Range 35 East, and the NW/4 NW/4 and Lot 4 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. The wells and lands are located approximately 14 miles southwest of Jal, New Mexico.