

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

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
TO AMEND ORDER NO. R-21259,
LEA COUNTY, NEW MEXICO

Case No. 22559
Order No. R-21259
(Re-Open)



El Campeon Fed Com 431H

March 3, 2022

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Tab 1.

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
TO AMEND ORDER NO. R-21259,
LEA COUNTY, NEW MEXICO**

**Case No. 22559
Order No. R-21259
(Re-Open)**

AFFIDAVIT OF WALTER JONES

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

1. I am over the age of 18, and have the capacity to execute this Affidavit, which is based on my personal knowledge.
2. 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.
3. This affidavit is submitted in connection with the filing by Titus of the above-referenced application pursuant to 19.15.4.12.A(1) NMAC.
4. 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 11 years.

Exhibit A
Titus Oil & Gas Production
NM OCD Case No. 22559
March 3, 2022

5. The purpose of this Application is to amend Order No. R-21259 previously issued 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.

6. The Application is attached as **Exhibit 1**.

7. Order No. R-21259 pooled uncommitted interest owners in the Wolfcamp formation (WC-025 G-09 S263619C [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. Order No. R-21259 is attached as **Exhibit 2**.

8. Order No. R-21259 designated Titus as the operator of the El Campeon South 431H Well and the HSU.

9. Titus is a working interest owner in the HSU and has the right to drill thereon.

10. The Division issued a second order in Case No. 21128, Order No. R-21259-A. Order No. R-21259-A corrected one non-substantive error in Order No. R-21259. Order No. R-21259-A provided that Order No. 21259 remained in full force and effect with respect to all other provisions. Titus is not requesting that Order No. R-21259-A be amended.

11. The Division issued a third order in Case No. 21690. In Order No. R-21259-B, the Division granted Titus an extension to commence drilling the El Campeon South 431H Well until April 18, 2022. Order No. 21259-B is attached as **Exhibit 3**.

12. Titus requests the Division to re-open this 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.

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

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

15. 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.”

16. The Division Hearing in Case No. 21690, regarding the first extension of time to drill, was held on March 4, 2021.

17. In Order No. R-21259-B, ¶ 7 (entered March 23, 2021), the Division extended the time for drilling to April 18, 2022. Order No. 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.”

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

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

20. 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.

21. Titus is in good standing under the statewide rules and regulations.

22. Titus notified all parties pooled under Order No. R-21259 regarding the request to re-open this matter to amend the order for the purposes stated herein. A sample notice letter is attached hereto as **Exhibit 4**. No parties entered appearances in this matter and no opposition is expected. Proof of notification, including proof of publication, can be found at Tab 2 of the exhibit package.

23. Titus incorporates all exhibits provided and admitted into the record at the hearing for the original Case No. 21128 by reference herein and for Case No. 21690, wherein Titus sought the first extension of time to drill this well.

24. Titus is not requesting changes to any provisions in Order Nos. R-21259 and R-21259-B, other than the change requested herein, and asks that all other rights and privileges granted to Titus in the Order remain the same.

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

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

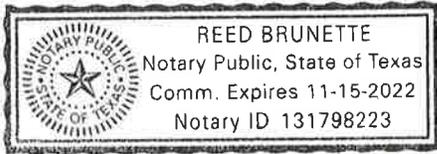
27. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

Walter P. Jones
Walter P. Jones

STATE OF TEXAS)
)ss
COUNTY OF TARRANT)

Subscribed to and sworn before me this 1ST day of MARCH, 2022.



Reed Brunette
Notary Public

My Commission expires 11/15/2022.

**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.

Exhibit 1
Titus Oil & Gas Production
NM OCD Case No. 22559
March 3, 2022

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 _____

Sharon T. Shaheen

Troy S. Lawton

Post Office Box 2307

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Attorneys for Titus Oil & Gas Production, LLC

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.

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
TITUS OIL & GAS, LLC**

**CASE NO. 21128
ORDER NO. R-21259**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on March 5, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Titus Oil & Gas, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

Titus Oil & Gas Production
NM OCD Case No. 22559

March 3, 2022

10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. 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.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit to each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled

Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR
AES/jag

Date: 4/18/2020

CASE NO. 21128
ORDER NO. R-21259

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Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21128	APPLICANT'S RESPONSE
Date	March 5, 2020
Applicant	Titus Oil & Gas Production, LLC
Designated Operator & OGRID (affiliation if applicable)	373986
Applicant's Counsel:	Sharon Shaheen
Case Title:	Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Deana Bennett/Franklin Mountain Energy, LLC
Well Family	El Campeon Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	WC-025 G-09 5263619C (98234)
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	160 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	North-South
Description: TRS/County	W2SW of Section 29 and NWNW & Lot 4 of irregular Section 32, 26S-35E, Lea County, NM
Standard Horizontal Well Spacing Unit (Y/N), if No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Tract 1 (0%), Tract 2 (100%)
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

CASE NO. 21128
 ORDER NO. R-21259

Well #1	El Campeon South Fed Com 431H, API No. Pending SHL: 1828' FNL and 682' FWL, Section 29-T26S-R35E, NMPM BHL: 10' FSL and 989' FWL, Section 32-T26S-R35E, NMPM Completion Target: Wolfcamp A at approx 12,741 Feet TVD Well Orientation: North to South Completion location expected to be standard
Horizontal Well First and Last Take Points	FTP: 2543' FSL and 989' FWL of Section 29-T26S-R35E LTP: 100' FSL and 989' FWL of Section 32-T26S-R35E
Completion Target (Formation, TVD and MD)	For Formation & TVD, see Well #1 info above. MD is approximately 18,271'
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Ex. A-7
Requested Risk Charge	Ex. A-7
Notice of Hearing	
Proposed Notice of Hearing	Ex. A-8
Proof of Mailed Notice of Hearing (20 days before hearing)	Ex. C
Proof of Published Notice of Hearing (10 days before hearing)	Ex. C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Ex. A-2, A-3, & A-4
Tract List (including lease numbers and owners)	Ex. A-3
Pooled Parties (including ownership type)	Ex. A-4
Unlocatable Parties to be Pooled	none
Ownership Depth Severance (including percentage above & below)	none
Joinder	
Sample Copy of Proposal Letter	Ex. A-7
List of Interest Owners (ie Exhibit A of JOA)	Ex. A-4
Chronology of Contact with Non-Joined Working Interests	Ex. A-5
Overhead Rates In Proposal Letter	See AFE, attached to Ex. A-7
Cost Estimate to Drill and Complete	See AFE, attached to Ex. A-7

	A	B
57	Cost Estimate to Equip Well	See AFE, attached to Ex. A-7
58	Cost Estimate for Production Facilities	See AFE, attached to Ex. A-7
59	Geology	
	Summary (including special considerations)	Ex. B-1
61	Spacing Unit Schematic	Ex. B-3
62	Gunbarrel/Lateral Trajectory Schematic	Ex. B-5
63	Well Orientation (with rationale)	Ex. B at 3, para. 12(d)
64	Target Formation	See Exs. B-1 & B-4
65	HSU Cross Section	B-4
66	Depth Severance Discussion	N/A
67	Forms, Figures and Tables	
68	C-102	Ex. A-6
69	Tracts	Exs. A-2 & A-3
70	Summary of Interests, Unit Recapitulation (Tracts)	Exs. A-3 & A-4
71	General Location Map (including basin)	Ex. A-1
72	Well Bore Location Map	Exs. A-2 & A-6
73	Structure Contour Map - Subsea Depth	Exs. B-6 & B-7
74	Cross Section Location Map (including wells)	Ex. B-2
	Cross Section (including Landing Zone)	Ex. B-4
76	Additional Information	
77	CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
78		
79	Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
80	Signed Name (Attorney or Party Representative):	<i>Sharon T. Shaheen</i>
81	Date:	3/4/2020

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
TITUS OIL & GAS PRODUCTION, LLC**

**CASE NO. 21690
ORDER NO. R-21259-B**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on March 4, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Titus Oil & Gas Production, LLC (“Operator”) submitted an application (“Application”) requesting an extension to drill the well(s) as required by Order R-21259.
2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
3. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

4. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
5. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
6. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

ORDER

7. The period to drill the well is extended until April 18, 2022.
8. 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.
9. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.
10. The remaining provisions of Order R-21259 remain in force or effect.

Exhibit 3

Titus Oil & Gas Production
NM OCD Case No. 22559

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


ADRIENNE SANDOVAL
DIRECTOR
AES/jag

Date: 3/23/2021

CASE NO. 21690
ORDER NO. R-21259-B

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**MONTGOMERY
& ANDREWS**
LAW FIRM

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

February 11, 2022

Via U.S. Certified Mail, return receipt requested

TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 22559 – Applications of Titus Oil & Gas Production, LLC to Amend Order No. R-21259, Lea County, New Mexico

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 seeking to amend the previous order regarding the proposed well, to extend the time for drilling as described below. You are receiving this notice because you may have an interest in this well.

Case No. 22559. 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 **EI 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 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 **March 3, 2022** 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.

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

Exhibit 4

Titus Oil & Gas Production
NM OCD Case No. 22559

March 3, 2022

All Interest Owners
February 11, 2022
Page 2

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 **February 23, 2022** and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **February 24, 2022**, in accordance with Division Rule 19.15.4.13 NMAC

Please feel free to contact me if you have any questions about this Application.

Very truly yours,

/s/ Sharon T. Shaheen
Sharon T. Shaheen

STS/cp
Enclosure
cc: Titus Oil & Gas Production, LLC, *via email*

EXHIBIT A

INTEREST OWNERS

Working Interest Owners:

Franklin Mountain Energy, LLC
2401 East 2nd Avenue
Suite 300
Denver, CO 80206

Overriding Royalty Interest Owners:

Franklin Mountain Royalty Investments, LLC
2401 East 2nd Avenue, Suite 300
Denver, CO 80206

Additional Party(ies):

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

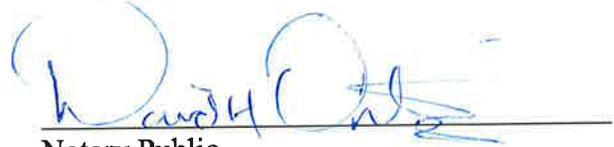
State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

Tab 2.



SHARON T. SHAHEEN

SUBSCRIBED AND SWORN to before me this 1st day of March 2022.



Notary Public

My Commission Expires:

6/13/2022

7021 0950 0001 6540 2389

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

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

OFFICIAL USE

Certified Mail Fee \$ 7.35

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 _____

Street _____

City _____

SANTA FE NM
Postmark Here 2022
USPO 87504

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

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:

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

2. Article Number (Transfer from service label)
7021 0950 0001 6540 2389

9590 9402 6810 1074 3379 92

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
X T Bryson

B. Received by (Printed Name) LENTX CIG C. Date of Delivery 2/15/22

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 Signature Confirmation™

Collect on Delivery Signature Confirmation Restricted Delivery

Collect on Delivery Restricted Delivery

Insured Mail

Mail Restricted Delivery (00)

Domestic Return Receipt

EXHIBIT A

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

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

OFFICIAL USE

Certified Mail Fee \$ 7.33

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 \$ _____

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

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

SANTA FE NM
Postmark Here
FEB 11 2022
87504

7021 0950 0001 6540 2372

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

2. Article Number (Transfer from service label)
7021 0950 0001 6540 2372

9590 9402 6810 1074 3379 85

COMPLETE THIS SECTION ON DELIVERY

A. Signature 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 Priority Mail Express®

Adult Signature Restricted Delivery Registered Mail™

Certified Mail® Registered Mail Restricted Delivery

Certified Mail Restricted Delivery Signature Confirmation™

Collect on Delivery Signature Confirmation Restricted Delivery

Collect on Delivery Restricted Delivery

Mail Restricted Delivery (00)

Domestic Return Receipt

PS Form 3811, July 2020 PSN 7530-02-000-9053

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:

Franklin Mountain Energy, LLC
 2401 East 2nd Avenue.
 Suite 300
 Denver, CO 80206

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



9590 9402 6810 1074 3379 78

2. Article Number (Transfer from service label)

7021 0950 0001 6540 2396

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
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

MONTGOMERY & ANDREWS
 LAW FIRM

07
New Mexico 87504-2307



7021 0950 0001 6540 2396

\$7.33 0
 US POSTAGE
 FIRST-CLASS
 062S0013958386
 87501

46739.25

Franklin Mountain Energy, LLC
 2401 East 2nd Avenue
 Suite 300
 Denver, CO

WIXIE 608 FE 1 0002/19/22

RETURN TO SENDER
 NOT DELIVERABLE AS ADDRESSED
 UNABLE TO FORWARD

BC: 87504230707 *1468-01493-19-47

9327010734908134

UTF
6020847612907

9632 0459 1000 0560 1202

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

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

OFFICIAL USE

Certified Mail Fee	\$ 7.33
Extra Services & Fees (check box, add fee as appropriate)	
<input checked="" 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	\$

Postmark: SANTA FE NM FEB 1 Here 22 USPO 87504

Total: Franklin Mountain Energy, LLC
 2401 East 2nd Avenue
 Suite 300
 Denver, CO 80206

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
February 17, 2022
and ending with the issue dated
February 17, 2022.



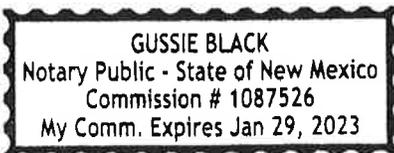
Publisher

Sworn and subscribed to before me this
17th day of February 2022.



Business Manager

My commission expires
January 29, 2023
(Seal)



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 **LEGAL**

LEGAL NOTICE
February 17, 2022

NOTICE

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns, and any other uncommitted interest owners:

Franklin Mountain Energy, LLC; Franklin Mountain Royalty Investments, LLC; State Land Office; Bureau of Land Management.

Titus Oil & Gas Production, LLC, has filed an application with the New Mexico Oil Conservation Division as follows:

Case No. 22559. 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.

This application will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division in Santa Fe, New Mexico on **March 3, 2022, 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 **h e a r i n g d a t e :** <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 February 23, 2021, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by February 24, 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.
#37326

01101398

00263811

SHARON T. SHAHEEN
MONTGOMERY & ANDREWS, P.A.
P.O. BOX OFFICE BOX 2307
A/C 451986
SANTA FE,, NM 87504-2307

EXHIBIT B