

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-21381,
LEA COUNTY, NEW MEXICO

Case No. 22661
Order No. R-21381
(Re-Open)



Lonesome Dove Fed Com 322H

April 7, 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-21381,
LEA COUNTY, NEW MEXICO**

**Case No. 22661
Order No. R-21381
(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. LLC
NMOCD Case No. 22661
April 7, 2022**

5. The purpose of this Application is to amend Order No. R-21381 previously issued in Case No. 21203 to extend the time for drilling the **Lonesome Dove Fed Com 322H** well (“Lonesome Dove 322H Well”), approved in Order No. R-21381-A entered in Case No. 21861.

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

7. Order No. R-21381 pooled uncommitted interest owners in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) in a standard 240-acre, more or less, horizontal spacing and proration unit comprised of the E/2 NW/4 of Section 17 and the E/2 W/2 of Section 8, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the Lonesome Dove 322H Well. Order No. R-21381 is attached as **Exhibit 2**.

8. Order No. R-21381 designated Titus as the operator of the Lonesome Dove 322H 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. 21861. In Order No. R-21381-A, the Division granted Titus an extension to commence drilling the Lonesome Dove 322H Well until July 6, 2022. Order No. 21381-A is attached as **Exhibit 3**.

11. Titus requests the Division to re-open this matter to extend the time to commence drilling the Lonesome Dove 322H Well to be no later than July 6, 2023, which will be a one-year extension from the time to commence drilling approved in Order No. R-21381-A.

12. The Division hearing in the original proceeding, Case No. 21203, was held on June 25, 2020.

13. The Division entered Order No. R-21381 in Case No. 21203 on July 6, 2020.

14. Order No. R-21381, ¶ 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-21381, ¶ 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.”

15. The Division hearing in Case No. 21861, regarding the first extension of time to drill, was held on May 6, 2021.

16. In Order No. R-21381-A, ¶ 7 (entered May 17, 2021), the Division extended the time for drilling to July 6, 2022. Order No. R-21381-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-21381 for good cause shown.”

17. Under Order No. R-21381-A, Titus would be required to commence drilling the well by July 6, 2022.

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

19. 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. Since early 2021, Titus has drilled +/- 40 wells in New Mexico and is currently operating three drilling rigs. Titus has endeavored to drill its wells by way of batch drilling, drilling three to four wells sequentially on the same pad. This means, however, that a rig could stay on one pad for 50-75 days while drilling multiple wells covered by one pooling order. If there are unforeseen delays in the drilling of any well, it has compounding effects on the timing of future pad development. For this reason, Titus requests that the time for drilling be extended by one year, to provide the flexibility needed for its drilling schedule to safely and efficiently develop under these circumstances.

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

21. Titus notified all parties pooled under Order No. R-21381 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.

22. Titus incorporates all exhibits provided and admitted into the record at the hearing for the original Case No. 21203 by reference herein and for Case No. 21861, wherein Titus sought the first extension of time to drill this well.

23. Titus is not requesting changes to any provisions in Order No. R-21381, other than the change requested herein, and asks that all other rights and privileges granted to Titus in the order remain the same.

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

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

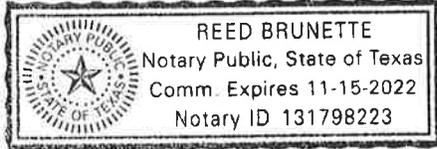
26. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

Walter P. Jones
Walter P. Jones

STATE OF TEXAS)
)ss
COUNTY OF TARRANT)

Subscribed to and sworn before me this 5th day of April, 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-21381,
LEA COUNTY, NEW MEXICO**

Case No. _____
**Order No. R-21381
(Re-Open)**

APPLICATION

Titus Oil & Gas Production, LLC, OGRID No. 373986 (“Titus”), files this application with the Oil Conservation Division to amend Order No. R-21381 entered in Case No. 21203 to extend the time for drilling the **Lonesome Dove Fed Com 322H** well (“Lonesome Dove 322H Well”) to be no later than July 6, 2023. In support of its application, Titus states as follows:

1. Order No. R-21381 pooled uncommitted interest owners in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) in a standard 240-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 NW/4 of Section 17 and the E/2 W/2 of Section 8, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the Lonesome Dove 322H Well.

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

3. Order No. R-21381 designated Titus as the operator of the Lonesome Dove 322H Well and the HSU.

4. In Order No. 21381-A, the Division granted Titus an extension to commence drilling the Lonesome Dove 322H Well until July 6, 2022.

Exhibit 1
Titus Oil & Gas, LLC
NMOCD Case No. 22661
April 7, 2022

5. Titus requests the Division re-open the matter to extend the time to commence drilling the Lonesome Dove 322H Well to be no later than July 6, 2023, which will be a one-year extension from the time to commence drilling approved in Order No. R-21381-A.

6. The Division hearing in the original proceeding, Case No. 21203, was held on June 25, 2020.

7. The Division entered Order No. R-21381 in Case No. 21203 on July 6, 2020.

8. Order No. R-21381, ¶ 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-21381, ¶ 20 states “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.”

9. Order No. R-21381-A, ¶ 7, the Division extended the time for drilling to July 6, 2022. Order No. R-21381-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-21381 for good cause shown.”

10. Under Order No. R-21381-A, Titus would be required to commence drilling the well by July 6, 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.

WHEREFORE, Titus requests that this application be set for hearing before an examiner of the Oil Conservation Division on April 7, 2022, and that, after notice and hearing as required

by law, the Division enter an order amending Order No. R-21381 to extend the time to commence drilling the Lonesome Dove 322H Well to be no later than July 6, 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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tlawton@montand.com

Attorneys for Titus Oil & Gas Production, LLC

Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21381, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21203 for the limited purpose of amending Division Order No. R-21381 to extend by one year, through July 6, 2023, the time to commence drilling the **Lonesome Dove Fed Com 322H** well, proposed to be drilled into the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying the E/2 NW/4 of Section 17 and the E/2 W/2 of Section 8, 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 PRODUCTION, LLC**

**CASE NO. 21203
ORDER NO. R-21381**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 25, 2020, 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”) 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.

Exhibit 2
Titus Oil & Gas, LLC
NMOCD Case No. 22661
April 7, 2022

9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
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 amending 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 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 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 an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If 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 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 an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If 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 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: 7/06/2020

CASE NO. 21203
ORDER NO. R-21381

Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21203	APPLICANT'S RESPONSE
Date	June 25, 2020
Applicant	Titus Oil & Gas Production, LLC
Designated Operator & OGRID (affiliation if applicable)	373986
Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon Shaheen & John McIntyre)
Case Title:	Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Candace Callahan, obo Chevron U.S.A. Inc.
Well Family	Lonesome Dove Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code:	WC-025 G-08 S263412K; Bone Spring [96672]
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	240 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	South-North
Description: TRS/County	E2NW4 of Section 17 and E2W2 of Section 8, 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 (100%); Tract 2 (97%)
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

CASE NO. 21203
ORDER NO. R-21381

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Well #1	Lonesome Dove Fed Com 322H, API No. Pending SHL: 1592' FSL and 1990' FWL, Section 17-T26S-R35E, NMPPM BHL: 10' FNL and 1653' FWL, Section 8-T26S-R35E, NMPPM Completion Target: 3rd Bone Spring at approx 12,500 Feet TVD Well Orientation: South to North Completion location expected to be standard
Horizontal Well First and Last Take Points	FTP (~ 2541' FNL and 1650' FWL of Section 17-T26S-R35E); LTP (~100' FNL and 1653' FWL of Section 8-T26S-R35E)
Completion Target (Formation, TVD and MD)	Third Bone Spring; TVD (~12,500'); MD (~20,420')
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000; see Exhibit A, ¶ 22
Production Supervision/Month \$	\$800; see Exhibit A, ¶ 22
Justification for Supervision Costs	Please see AFE at Exhibit A-7
Requested Risk Charge	200%; please see Exhibit A, ¶ 23
Notice of Hearing	
Proposed Notice of Hearing	Submitted with online filing of Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C; see Exhibit A-8
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	See Exhibits A-2, A-3, and A-4
Tract List (including lease numbers and owners)	Exhibits A-2, A-3
Pooled Parties (including ownership type)	Exhibit A-4
Unlocatable Parties to be Pooled	none
Ownership Depth Severance (including percentage above & below)	none
Joinder	
Sample Copy of Proposal Letter	Exhibit A-7
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	n/a
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7
Cost Estimate to Equip Well	See AFE at Exhibit A-7
Cost Estimate for Production Facilities	See AFE at Exhibit A-7
Geology	
Summary (including special considerations)	Exhibit B-1

Spacing Unit Schematic	Exhibit B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-7
Well Orientation (with rationale)	Exhibit B-1
Target Formation	Exhibits B-5 & B-6
HSU Cross Section	Exhibit B-6
Depth Severance Discussion	n/a; see Exhibit A, ¶ 16
Forms, Figures and Tables	
C-102	Exhibit A-6
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-2, A-3, & A-4
General Location Map (including basin)	Exhibit A-1
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-6
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
Signed Name (Attorney or Party Representative):	<i>Sharon T. Shaheen</i>
Date:	6/23/2020

CASE NO. 21203
ORDER NO. R-21381

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**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. 21861
ORDER NO. R-21381-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on May 6, 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-21381.
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(s) is extended until July 6, 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-21381 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-21381 remain in force or effect.

Exhibit 3
Titus Oil & Gas, LLC
NMOCD Case No. 22661
April 7, 2022

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR
AES/jag

Date: 5/17/2021

CASE NO. 21861
ORDER NO. R-21381-A

Page 2 of 2



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

March 18, 2022

Via U.S. Certified Mail, return receipt requested

TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 22661 - Application of Titus Oil & Gas Production, LLC, to Amend Order No. R-21381, Lea County, New Mexico – Lonesome Dove Fed Com 322H (BS)

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 Order No. R-21381. You are receiving this notice because you may have an interest in this well.

Case No. 22661: Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21381, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21203 for the limited purpose of amending Order No. R-21381 to extend by one year, through July 6, 2023, the time to commence drilling the **Lonesome Dove Fed Com 322H** well, proposed to be drilled into the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying the E/2 NW/4 of Section 17 and the E/2 W/2 of Section 8, 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.

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 **April 7, 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.

Exhibit 4

Titus Oil & Gas, LLC
NMOCD Case No. 22661

April 7, 2022

All Interest Owners
March 18, 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 **March 30, 2022** and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **March 31, 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 Party(ies):

Sharbro Energy, LLC
P.O. Box 840
Artesia, NM 882211-1091

Additional Interested 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.

2. Titus has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the Application filed herein.



SHARON T. SHAHEEN

SUBSCRIBED AND SWORN to before me this 5th day of April, 2022.



Notary Public



2-12-24

TITUS OIL & GAS PRODUCTION, LLC
Lonesome Dove Fed Com 322H (BS) / Case No. 22661

April 7, 2022 Hearing

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received
WORKING INTEREST PARTY(IES) – Lonesome Dove Fed Com 322H (BS)				
Sharbro Energy, LLC P.O. Box 840 Artesia, NM 882211-1091	March 18, 2022	7015 1730 0000 9774 7989	Delivered	March 21, 2022
ADDITIONAL INTEREST PARTY(IES) – Lonesome Dove Fed Com 322H (BS)				
Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157	March 18, 2022	7015 1730 0000 9774 7996	Delivered	March 21, 2022
State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501	March 18, 2022	7015 1730 0000 9774 8009	Delivered	March 21, 2022

Exhibit A
Titus Oil & Gas. LLC
NMOCD Case No. 22661
April 7, 2022

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Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

To: Bureau of Land Management

From: \$ _____

St: 414 W. Taylor

City: Hobbs, NM 88240-1157

PS Form 3800, April 2015 PSN 7530-02-000-9047

SANTA FE NM
 Postmark Here
 MAR 18 2022
 USPO 87504

7015 1730 0000 9774 7996

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY														
<ul style="list-style-type: none"> ■ 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. <p>1. Article Addressed to:</p> <p>Bureau of Land Management</p> <p>414 W. Taylor</p> <p>Hobbs, NM 88240-1157</p> <div style="text-align: center;">  <p>9590 9402 6810 1074 3393 85</p> </div> <p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">7015 1730 0000 9774 7996</p>	<p>A. Signature <input type="checkbox"/> A</p> <p>X <u>OLM</u> <input type="checkbox"/> A</p> <p>B. Received by (Printed Name) C. Date of</p> <p><u>Winfred</u> <u>3/21/22</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <table style="width: 100%; border: none;"> <tr> <td><input checked="" type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> </table> <p style="font-size: 0.8em;">Mail Restricted Delivery (0)</p>	<input checked="" type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Collect on Delivery Restricted Delivery		<input type="checkbox"/> Insured Mail	
<input checked="" type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®														
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™														
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery														
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™														
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery														
<input type="checkbox"/> Collect on Delivery Restricted Delivery															
<input type="checkbox"/> Insured Mail															
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt														

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Certified Mail Restricted Delivery \$ _____

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Adult Signature Restricted Delivery \$ _____

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Postage
Sharbro Energy, LLC
423 W. Main Street
Artesia, NM 88211

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

7015 1730 0000 9774 7989

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:

Sharbro Energy, LLC
423 W. Main Street
Artesia, NM 88211



9590 9402 6810 1074 3393 78

2. Article Number (Transfer from service label)

7015 1730 0000 9774 7989

COMPLETE THIS SECTION ON DELIVERY

A. Signature A. Navarrete Agent Addressee

B. Received by (Printed Name) A. Navarrete C. Date of Delivery 3-21-22

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

P.O. Box 840
Artesia, NM 88211

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™

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SANTA FE NM

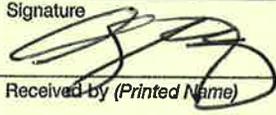
Postage

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> 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. 	<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____</p> <p>C. Date of Delivery <u>3/21/22</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: _____</p>
<p>1. Article Addressed to:</p> <p>State Land Office</p> <p>310 Old Santa Fe Trail</p> <p>Santa Fe, NM 87501</p>  <p>9590 9402 1258 5246 3543 82</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>2. Article Number (Transfer from service label)</p> <p>7015 1730 0000 9774 8009</p>	

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

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
March 22, 2022
and ending with the issue dated
March 22, 2022.



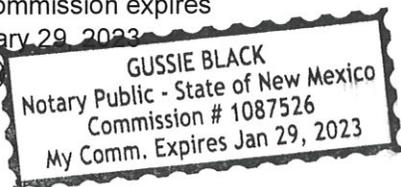
Publisher

Sworn and subscribed to before me this
22nd day of March 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 NOTICE
March 22, 2022

NOTICE

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

Sharbro Energy, LLC; Bureau of Land Management; and State Land Office.

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

Case No. 22661. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21381, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21203 for the limited purpose of amending Order No. R-21381 to extend by one year, through July 6, 2023, the time to commence drilling the **Lonesome Dove Fed Com 322H** well, proposed to be drilled into the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying the E/2 NW/4 of Section 17 and the E/2 W/2 of Section 8, 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 **April 7, 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 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. 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 **March 30, 2022**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **March 31, 2022**, 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. #37464

01101398

00264950

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

Exhibit B
Titus Oil & Gas. LLC
NMOCD Case No. 22661
April 7, 2022