

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-21371,  
LEA COUNTY, NEW MEXICO

Case No. 22660  
Order No. R-21371  
(Re-Open)



*Cattlemen 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-21371,  
LEA COUNTY, NEW MEXICO**

**Case No. 22660  
Order No. R-21371  
(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. 22660  
April 7, 2022**

5. The purpose of this Application is to amend Order No. R-21371 previously issued in Case No. 21208 to extend the time for drilling the **Cattlemen Fed Com 322H** well (“Cattlemen 322H Well”), which was approved in Order No. R-21371-A entered in Case No. 21867.

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

7. Order No. R-21371 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 SW/4 of Section 17 and the E/2 W/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the Cattlemen 322H Well. Order No. R-21371 is attached as **Exhibit 2**.

8. Order No. R-21371 designated Titus as the operator of the Cattlemen 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. 21867. In Order No. R-21371-A, the Division granted Titus an extension to commence drilling the Cattlemen 322H Well until July 6, 2022. Order No. 21371-A is attached as **Exhibit 3**.

11. Titus requests the Division to re-open this matter to extend the time to commence drilling the Cattlemen 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-21371-A.

12. The Division hearing in the original proceeding, Case No. 21208, was held on June 25, 2020.

13. The Division entered Order No. R-21371 in Case No. 21208 on July 6, 2020.

14. Order No. R-21371, ¶ 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-21371, ¶ 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. 21867, regarding the first extension of time to drill, was held on May 6, 2021.

16. In Order No. R-21371-A, ¶ 7 (entered May 17, 2021), the Division extended the time for drilling to July 6, 2022. Order No. R-21371-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-21371 for good cause shown.”

17. Under Order No. R-21371-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-21371 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. 21208 by reference herein and for Case No. 21867, wherein Titus sought the first extension of time to drill this well.

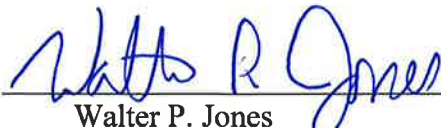
23. Titus is not requesting changes to any provisions in Order Nos. R-21371 and R-21371-A, other than the change requested herein, and asks that all other rights and privileges granted to Titus in the Order remain the same.

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.

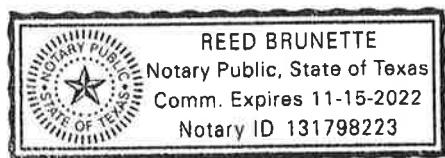
26. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

  
Walter P. Jones

STATE OF TEXAS           )  
  )ss  
COUNTY OF TARRANT    )

Subscribed to and sworn before me this 5<sup>th</sup> day of April, 2022.



  
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-21371,  
LEA COUNTY, NEW MEXICO**

**Case No. \_\_\_\_\_  
Order No. R-21371  
(Re-Open)**

**APPLICATION**

Titus Oil & Gas Production, LLC (“Titus”), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division to amend Order No. R-21371 entered in Case No. 21208 to extend the time for drilling the **Cattlemen Fed Com 322H** well (API #30-025-48124) (“Cattlemen 322H Well”) approved in Order No. R-21371.<sup>1</sup> In support of its application, Titus states as follows:

1. Order No. R-21371 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 SW/4 of Section 17 and the E/2 W/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, dedicated to the Cattlemen 322H Well.

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

3. Order No. R-21371 designated Titus as the operator of the Cattlemen 322H Well and the HSU.

**Exhibit 1  
Titus Oil & Gas. LLC  
NMOCD Case No. 22660**

**April 7, 2022**

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<sup>1</sup> Order No. R-21371 entered in Case No. 21208 is one of five orders relating to Titus’s “Cattlemen” well group. By separate applications, Titus is seeking to amend Order No. R-21372 entered in Case No. 21209, Order No. R-21376 entered in Case No. 21210, Order No. R-21377 entered in Case No. 21211, and Order No. R-21378 entered in Case No. 21212.

4. Titus requests the Division re-open the matter to extend the time to commence drilling the Cattlemen 322H Well to be no later than July 6, 2022, which will be a one-year extension from the time to commence drilling granted in Order No. R-21371.

5. The Division Hearing in the original proceeding, Case No. 21208, was held on June 25, 2020, in conjunction with four other Titus cases, Case Nos. 21209, 21210, 21211, and 21212.

6. The Division entered Order No. R-21371 in Case No. 21208 on July 6, 2020.

7. Order No. R-21371, ¶ 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-21371, ¶ 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.”

8. Under Order No. R-21371, Titus would be required to commence drilling the well by July 6, 2021.

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

10. Titus requests an extension of time because there have been changes in Titus’s drilling schedule due to COVID-19 and current market conditions. In addition, the executive order entered by the federal administration in January 2021 impacted the timing of federal permitting, right-of-way, and sundries among other federal approvals needed prior to drilling.

11. Titus’s operations and drilling activity have been impacted by COVID-19, oil and gas market conditions, and delays in federal permitting.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 2021, and that, after notice and hearing as required by

law, the Division enter an order amending Order No. R-21371 to extend the time to commence drilling the Cattlemen 322H Well to be no later than July 6, 2022.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

John F. McIntyre

Post Office Box 2307

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*Attorneys for Titus Oil & Gas Production, LLC*

**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. 21208  
ORDER NO. R-21371**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 25<sup>th</sup>, 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 compulsorily 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. 22660  
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/kms

Date: 7/06/2020

CASE NO. 21208  
ORDER NO. R-21371

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## Exhibit "A"

<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 21208</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>June 25, 2020</b>
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	Cattlemen Wells
<b>Formation/Pool</b>	
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
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	North-South
Description: TRS/County	E2SW4 of Section 17 and E2W2 of Section 20, 26S-35E, Lea County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
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 (97%); Tract 2 (100%)
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

CASE NO. 21208  
ORDER NO. R-21371

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Well #1	Cattlemen Fed Com 322H, API No. Pending  SHL: 2084' FNL and 1994' FWL, Section 17-T26S-R35E, NMPM BHL: 10' FSL and 1651' FWL, Section 20-T26S-R35E, NMPM  Completion Target: 3rd Bone Spring at approx. 12,500 Feet TVD Well Orientation: North to South Completion location expected to be standard
Horizontal Well First and Last Take Points	FTP (~ 2541' FSL and 1651' FWL of Section 17-T26S-R35E); LTP (~100' FSL and 1651' FWL of Section 20-T26S-R35E)
Completion Target (Formation, TVD and MD)	Third Bone Spring; TVD (~12,500'); MD (~20,420')
<b>AFE Capex and Operating Costs</b>	
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
<b>Notice of Hearing</b>	
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
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	See Exhibits A-2, A-3, & A-4
Tract List (including lease numbers and owners)	See 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
<b>Joinder</b>	
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
<b>Geology</b>	

CASE NO. 21208  
ORDER NO. R-21371

**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. 21867  
ORDER NO. R-21371-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-21371.
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-21371 for good cause shown.
9. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary. Exhibit 3
10. The remaining provisions of Order R-21371 remain in force or effect. Titus Oil & Gas. LLC  
NMOCD Case No.  
22660

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

A handwritten signature in black ink, appearing to read 'AS', is written over a horizontal line.

**ADRIENNE SANDOVAL  
DIRECTOR**

AES/jag

**Date:** 5/17/2021

CASE NO. 21867  
ORDER NO. R-21371-A

Page 2 of 2



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

**SHARON T. SHAHEEN**  
Direct: (505) 986-2678  
Email: [sshaheen@montand.com](mailto:sshaheen@montand.com)  
[www.montand.com](http://www.montand.com)

March 18, 2022

*Via U.S. Certified Mail, return receipt requested*

**TO: ALL INTEREST OWNERS ON ATTACHED LIST**

**Re: Case No. 22660** - Application of Titus Oil & Gas Production, LLC, to Amend Order No. R-21371, Lea County, New Mexico – **Cattlemen 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-21371. You are receiving this notice because you may have an interest in this well.

**Case No. 22660: Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21371, Lea County, New Mexico (Re-Open).** Applicant in the above-styled cause seeks to re-open Case No. 21208 for the limited purpose of amending Order No. R-21371 to extend by one year, through July 6, 2023, the time to commence drilling the **Cattlemen 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 SW/4 of Section 17 and the E/2 W/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. The well 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. 22660  
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.



**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-21371,  
LEA COUNTY, NEW MEXICO**

**Case No. 22660  
Order No. R-21371  
(Re-Open)**

**AFFIDAVIT OF NOTICE**

STATE OF NEW MEXICO    )  
  ) ss.  
COUNTY OF SANTA FE    )

I, Sharon T. Shaheen, attorney for TITUS OIL & GAS PRODUCTION, LLC ("Titus"), the Applicant in the above-captioned matter, being first duly sworn, state the following:


1. I caused notice of the application to be sent by certified mail through the United States Postal Service on March 18, 2022, to all interest owners in this proceeding. Evidence of mailing to all such owners is attached hereto as Exhibit A. Notice was also directed to all owners by publication in the Hobbs News-Sun on March 23, 2022, which is reflected in the Affidavit of Publication attached hereto as Exhibit B. Exhibit B demonstrates to my satisfaction that those owners who did not receive personal notice through the certified mailing were properly served by publication.

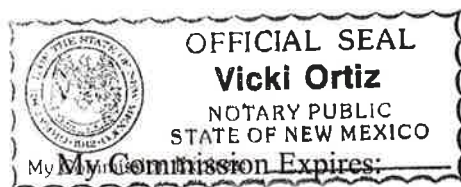
EXHIBIT B  
Titus Oil & Gas. LLC  
NMOCD Case No. 22660  
April 7, 2022

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 5<sup>th</sup> day of April, 2022.

  
\_\_\_\_\_  
Notary Public



2-12-24

**TITUS OIL & GAS PRODUCTION, LLC**  
**Cattlemen Fed Com 322H (BS) / Case No. 22660**  
**April 7, 2022 Hearing**

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received
<b>WORKING INTEREST PARTY(IES) – Cattlemen Fed Com 322H (BS)</b>				
Sharbro Energy, LLC P.O. Box 840 Artesia, NM 882211-1091	March 18, 2022	7015 1730 0000 9774 7965	Delivered	March 21, 2022
<b>ADDITIONAL INTEREST PARTY(IES) – Cattlemen Fed Com 322H (BS)</b>				
Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157	March 18, 2022	7015 1730 0000 9774 7941	Delivered	March 21, 2022
State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501	March 18, 2022	7015 1730 0000 9774 7958	Delivered	March 21, 2022

Exhibit A  
Titus Oil & Gas. LLC  
NMOCD Case No. 22660  
April 7, 2022

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT** 22660  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**OFFICIAL USE**

Certified Mail Fee 753  
 \$

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	\$

Postage  
 \$

Total \$ **Sharbro Energy, LLC**  
 423 W. Main Street  
 Street  
 Artesia, NM 88211  
 City, S.

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

**SANTA FE NM**  
**MAR 12 2022**  
**USPO 87504**

**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 1258 5246 3529 75

2. Article Number (Transfer from service label)  
**7015 1730 0000 9774 7965**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature [Signature] ☐ Agent ☐ Addressee

X [Signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) [Signature] C. Date of Delivery 3-21-22

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

**PO Box 840**  
**Artesia, NM 88211**

3. Service Type

<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 type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery

1 Mail  
 1 Mail Restricted Delivery  
 500)

Domestic Return Receipt

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

7015 1730 0000 9774 7941

U.S. Postal Service™  
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For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

Certified Mail Fee

\$

Extra Services &amp; 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

\$

Bureau of Land Management

414 W. Taylor

Hobbs, NM 88240-1157

SANTA FE NM

MAR 18 2022

USPO 87504

## SENDER: COMPLETE THIS SECTION

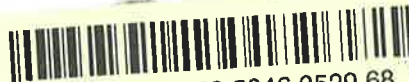
- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bureau of Land Management

414 W. Taylor

Hobbs, NM 88240-1157



9590 9402 1258 5246 3529 68

2. Article Number (Transfer from service label)

7015 1730 0000 9774 7941

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

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X BLM

☐ Agent☐ Addressee

B. Received by (Printed Name)

LLR 25019

C. Date of Delivery

3/24/22

D. Is delivery address different from item 1? If YES, enter delivery address below:

☐ Yes☐ No

3. Service Type

- ☒ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Restricted Delivery

- ☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☐ Return Receipt for Merchandise  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt



23660

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For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

OFFICIAL USE

Certified Mail Fee \$ 7.53

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	\$	

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

SANTA FE NM  
 MAR 18 2022  
 USPO 87504

**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)

7015 1730 0000 9774 7958

9590 9402 1258 5246 3529 99

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature [Signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) [Signature] C. Date of Delivery 3/20/22

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

3. Service Type

<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"/> Return Receipt for Merchandise
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Insured Mail	
<input type="checkbox"/> Mail Restricted Delivery	

Domestic Return Receipt

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

# 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 23, 2022  
and ending with the issue dated  
March 23, 2022.



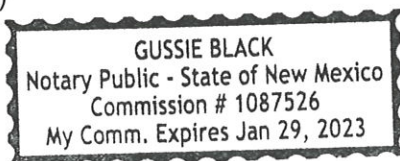
Publisher

Sworn and subscribed to before me this  
23rd 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 23, 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. 22660. Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21371, Lea County, New Mexico (Re-Open).** Applicant in the above-styled cause seeks to re-open Case No. 21208 for the limited purpose of amending Order No. R-21371 to extend by one year, through July 6, 2023, the time to commence drilling the **Cattlemen 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 SW/4 of Section 17 and the E/2 W/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. The well 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.  
#37468

01101398

00265030

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. 22660  
April 7, 2022