

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case No. 21615**

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC  
FOR COMPULSORY POOLING AND FOR APPROVAL OF  
NON-STANDARD LOCATIONS,  
EDDY COUNTY, NEW MEXICO**

**Case No. 21616**

**AFFIDAVIT OF REED BRUNETTE**

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 employed as a Staff Landman with Titus Oil & Gas Production, LLC (“Titus”), and I am familiar with the subject applications and the lands involved.
3. This affidavit is submitted in connection with the filings by Titus of the above-referenced compulsory pooling applications 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. My education and work experience are as follows: I graduated from The University of Texas in 2014 with a liberal arts degree in earth science and a certificate in the Energy Management Program. I have been employed by Titus since 2018. Prior to being employed by Titus, I worked for Apache Corporation as a Land Analyst in

Texas and Bergman Resources, LLC as a Landman in Texas and New Mexico. I have been working on New Mexico oil and gas matters for approximately five years.

5. The purpose of these applications is to force pool all uncommitted interest owners, including working interest owners into the horizontal spacing and proration units (“HSU”) described below and in the wells to be drilled in those units.

6. No opposition is expected. The interest owners being pooled have been contacted regarding the proposed well but have failed or refused to voluntarily commit their interests in the wells.

7. In **Case No. 21615**, Titus seeks an order pooling all uncommitted interests in the Bone Spring (Oil) formation (WC-015 G-02 S262503L [97945]) underlying a 480-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Section 2 and the NW/4 of Section 11, all within Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico. Titus proposes to drill the following well in the HSU: **Chicken Noodle Fed Com 301H** well, to be horizontally drilled from an approximate surface hole location 2433’ FSL and 574’ FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10’ FNL and 1320’ FWL of Section 2, T26S-R25E. The proposed true vertical depth is approximately 8,226’ and the total measured depth is approximately 16,036’. The first take point will be located at approximately 2546’ FNL and 1320’ FWL of Section 11-T26S-R25E, and the last take point will be located at approximately 100’ FNL and 1320’ FWL of Section 2-T26S-R25E. The completed interval and first and last take points for this well will meet statewide setback requirements for horizontal wells. The completed interval is proposed to lay south to north along the east/west boundary of the quarter-quarter sections. Titus proposes to include six quarter-quarter sections as proximity tracts under 19.15.16.15(B)(1)(b) NMAC.

8. Titus determined that including six quarter-quarter section proximity tracts in the HSU for Case No. 21615 is in the best interest of development, including being in the best interest of conservation, the prevention of waste, and the protection of correlative rights, because the 301H is targeting the basal 3<sup>rd</sup> Bone Spring that is likely a part of the same flow unit as the Wolfcamp XY targeted by the 401H and 402H in this drilling unit; and thus, is evenly spaced between the deeper wells. Titus believes that the three wells in this flow unit within the horizontal spacing unit is the proper development spacing based on internal modeling and monitoring of nearby well results.

9. In **Case No. 21616**, Titus seeks an order pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) [98220]) underlying a standard 480-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Section 2 and the NW/4 of Section 11, all within Township 26 South, Range 25 East, NMPM, in Eddy County, New Mexico. Titus proposes to drill the following wells in the HSU:

- **Chicken Noodle Fed Com 401H** well (“401H”), to be horizontally drilled from an approximate surface hole location 2433’ FSL and 604’ FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10’ FNL and 380’ FWL of Section 2, T26S-R25E. The proposed true vertical depth is approximately 8,320’ and the total measured depth is approximately 16,130’. The first take point will be located at approximately 2541’ FNL and 380’ FWL of Section 11-T26S-R25E, and the last take point will be located at approximately 100’ FNL and 380’ FWL of Section 2-T26S-R25E. The surface and bottomhole locations are within the designated setbacks in the applicable special pool rules. The completed intervals are within the designated setbacks in the applicable special pool rules.

- **Chicken Noodle Fed Com 402H** well (“402H”), to be horizontally drilled from an approximate surface hole location 2437’ FSL and 1662’ FWL of Section 11, T26S-R25E, to an approximate bottom hole location 10’ FNL and 2325’ FWL of Section 2, T26S-R25E. The proposed true vertical depth is approximately 8,374’ and the total measured depth is approximately 16,184’. The first take point will be located at approximately 2550’ FNL and 2336’ FWL of Section 11-T26S-R25E, and the last take point will be located at approximately 100’ FNL and 2325’ FWL of Section 2-T26S-R25E. The surface and bottomhole locations are within the designated setbacks in the applicable special pool rules. The completed intervals are within the designated setbacks in the applicable special pool rules.

10. Statewide pool rules apply to the first and last take points in Case No. 21616. The proposed 401H and 402H wells are not within the setbacks for first and last take points of horizontal gas wells, as set forth in 19.15.16.15(C)(1)(b) NMAC.

11. On or about December 15, 2020, Titus requested administrative approval of non-standard locations (“NSL”) for the 401H and the 402H.

12. Titus properly notified all NSL-affected persons pursuant to Division Rule 19.15.4.12(A)(2) NMAC. No protests were filed and, on January 6, 2021, the Division approved the NSL locations in Administrative Order NSL-8113 (401H) and Administrative Order NSL-8114 (402H).

13. Attached hereto are supporting Exhibits A-1 through A-8.

14. A general location map, including the basin, is included as **Exhibit A-1**.

15. Maps illustrating the tracts in the proposed HSUs and the ownership of each individual tract, including the proximity tracts, can be found in **Exhibit A-2**.

16. **Exhibit A-3** is a list of owners in the HSU, with lease numbers and the location of the wellbores.

17. The ownership breakdown of interests and list of parties to be pooled can be found at **Exhibit A-4**. There are no depth severances.

18. A chronology of contacts with the non-joined working interest owners is attached as **Exhibit A-5**.

19. The locations of the proposed wells within the respective HSUs are depicted in the draft C-102 Forms attached as **Exhibit A-6**. The draft C-102 Forms also indicate the locations of the surface hole, the bottom hole, and the first and last take points.

20. I have conducted a diligent search of the public records in Eddy County, New Mexico, where the wells will be located, and conducted phone directory and computer searches to obtain contact information for parties entitled to notification. I mailed all parties well proposals, including an Authorization for Expenditure (“AFE”) for each well.

21. **Exhibit A-7** includes sample copies of the well proposal letters and AFEs for the proposed wells. The estimated costs of the wells set forth in the AFEs are fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

22. **Exhibit A-8** includes copies of the notice letters that were sent with the applications to all of the uncommitted interest owners in the proposed HSUs.

23. Titus has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

24. Titus requests the Division to approve operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures

25. Titus requests the maximum cost, plus 200% risk charge, be assessed against non-consenting working interest owners.

26. Titus requests that it be designated operator of the wells.

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

28. The granting of these Applications is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

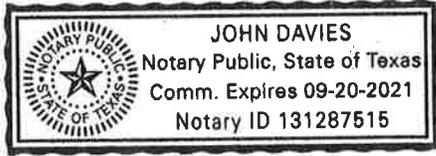
29. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

*Reed Brunette* <sup>RSB</sup>  
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Reed Brunette

STATE OF TEXAS            )  
  )ss  
COUNTY OF TARRANT    )

Subscribed to and sworn before me this 22<sup>nd</sup> day of February, 2021.



*John Davies*  
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Notary Public

My Commission expires 9/20/2021.