

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
Meeting Minutes
Special Meeting
September 28, 2021**

The Oil Conservation Commission meeting was held via Webex Meeting platform.

MEMBERS PRESENT:

Adrienne Sandoval	Chair, Oil Conservation Division
Estevan Baca	Designee, State Land Office Commissioner
Terry Warnell	Designee, Energy, Minerals and Natural Resources Department

OTHERS PRESENT:

Christopher Moander, Counsel for the Commission
Florene Davidson, Commission Clerk

The meeting was called to order by Chair Sandoval at approximately 9:28 a.m.

Item 1. Roll Call.

Action: Roll was taken; a quorum was present.

Item 2. Approval of the Agenda

Action: Commissioner Baca made a motion to adopt the agenda and Commissioner Warnell seconded the motion. A roll call vote was taken. The motion passed unanimously.

Item 3. Approval of the September 16, 2021 Meeting Minutes

Commissioner Baca made a motion to approve the September 16, 2021 minutes and Commissioner Warnell seconded the motion. A roll call vote was taken, and the motion passed unanimously.

Item 4. Motion Hearing and Full Hearing:

Case No. 21872: Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division approving the production allocation of minerals in the Wolfcamp formation (WC-025 G09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The HSU will be dedicated to the El Campeon Fed Com 404H well, to be horizontally drilled from an approximate surface hole location 558' FSL and 590' FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10' FSL and 1912' FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]). Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas. The

completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The well and lands are located approximately 14 miles southwest of Jal, New Mexico.

Action: Appearances were made by Sharon Shaheen for Titus Oil & Gas Production, LLC (Titus); Jesse Tremaine for the Oil Conservation Division (OCD); Nicolas Koluncich for the State Land Office (SLO); Michael Feldewert for EOG Resources, Inc.; Michael Rodriguez for Pegasus Resources, LLC, Fortis Minerals II, LLC, and Santa Elena Minerals IV, LP (Pegasus).

Ms. Shaheen, Mr. Tremaine, and Mr. Feldewert made opening statements. Mr. Koluncich advised that the SLO has removed its objection to this matter subject to certain conditions of approval with Titus.

Ms. Shaheen explained that this case was originally heard by the OCD and then referred to the Oil Conservation Commission by the OCD. The Commission took jurisdictional notice of the OCD's evidence and record for this hearing.

Ms. Shaheen's witness was Walter Jones, Landman for Titus. He reviewed the testimony he had presented to the OCD and discussed a proposed agreement (MOU) between the OCD and the Texas Railroad Commission (TRC). He responded to questions from Mr. Tremaine, Mr. Feldewert, Commissioner Warnell, Commissioner Baca, and Chair Sandoval,

Mr. Tremaine's witness was Tiffany Polak, Deputy Director of the OCD. She described communications between the OCD and Titus regarding the proposed MOU and provided an update on communications between New Mexico and Texas. She responded to questions from Ms. Shaheen, Commissioner Warnell, Commissioner Baca, Chair Sandoval, and Counsel Moander.

Ms. Shaheen, Mr. Tremaine, and Mr. Koluncich made closing statements. The record was closed.

After a motion by Commissioner Baca and a second to the motion by Commissioner Warnell to close the meeting pursuant to NMAC 1978, Section 10-15-1(H) to deliberate on Case No. 21872, a roll call vote was taken. The motion passed unanimously. After a motion by Commissioner Baca and a second to the motion by Commissioner Warnell to go back into open session, a roll call vote was taken. The motion passed unanimously. Chair Sandoval announced that Case No. 21872 was the only matter discussed during the closed session. Chair Sandoval made a motion to approve the application with certain conditions. Commissioner Baca seconded the motion. A roll call vote was taken. The motion carried unanimously. Ms. Shaheen was directed to draft and submit a proposed order to the Commission by the end of the day on October 8, 2021, and it should only apply to the facts in this case. Final action will be taken on the case at the October 14, 2021 Commission hearing.

Item 5. Pending litigation - None

Item 6. Other Business

Action: There was no other business.

Item 7: Next meeting – October 14, 2021

Item 8. Adjournment

Action: Chair Sandoval adjourned the hearing at 3:18 p.m.

A handwritten signature in black ink, appearing to read 'Adrienne'.

Adrienne Sandoval, Chair