

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

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

Case No. 20897

**APPLICATION OF TITUS OIL & GAS PRODUCTION,
LLC, FOR COMPULSORY POOLING, LEA COUNTY,
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Case No. 20898

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

Case No. 20899

PRE-HEARING STATEMENT

TITUS OIL & GAS PRODUCTION, LL (“Titus or Applicant”) provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

TITUS OIL & GAS
PRODUCTION, LLC

APPLICANT’S ATTORNEY:

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OPPONENT

EOG M RESOURCES, INC.

OPPONENT'S ATTORNEYS:

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STATEMENT OF THE CASE

In Case No. **20897**, Applicant seeks an order from the Division pooling all uncommitted interests in the 1st Bone Spring formation (Salt Lake [53560]) in a standard 800-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 of Sections 24 and 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, Lea County, New Mexico ("2.5-Mile HSU"), or in a standard 640-acre HSU comprised of the W/2 of Sections 24 and 25, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico ("2-Mile HSU"), if potash needs require 2-mile wells, instead of 2.5 mile wells. Applicant proposes to drill the following wells in the 2.5-Mile HSU: the **Pakse South 24-25-36 Fed Com 111H** well, to be horizontally drilled from an approximate surface hole location 275' FNL and 1030' FWL of Section 24-T20S-R32E, to an approximate bottom hole location 2650' FSL and 1030' FWL of Section 36-T20S-R32E and the **Pakse South 24-25-36 Fed Com 112H** well, to be horizontally drilled from an approximate surface hole location 275' FNL and 2310' FWL of Section 24-T20S-R32E, to an approximate bottom hole location 2650' FSL and 2310' FWL of Section 36-T20S-R32E. In the alternative, Applicant proposes to drill the same wells, with different bottom-hole locations in Section 25, as 2-mile laterals in the 2-Mile HSU. The completed intervals and first and last take points in either HSU will meet statewide setback requirements for horizontal wells. Also to be considered will be

the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The wells and lands are located approximately 33 miles east of Carlsbad, New Mexico.

In Case No. **20898**, Applicant seeks an order from the Division pooling all uncommitted interests in the 2nd Bone Spring formation (Salt Lake [53560]) in a standard 800-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Sections 24 and 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, Lea County, New Mexico (“2.5-Mile HSU”), or in a standard 640-acre HSU comprised of the W/2 of Sections 24 and 25, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico (“2-Mile HSU”), if potash needs require 2-mile wells, instead of 2.5 mile wells. Applicant proposes to drill the following wells in the 2.5 Mile HSU: the **Pakse South 24-25-36 Fed Com 221H** well, to be horizontally drilled from an approximate surface hole location 250’ FNL and 1030’ FWL of Section 24-T20S-R32E, to an approximate bottom hole location 2650’ FSL and 1030’ FWL of Section 36-T20S-R32E and the **Pakse South 24-25-36 Fed Com 222H** well, to be horizontally drilled from an approximate surface hole location 250’ FNL and 2310’ FWL of Section 24-T20S-R32E, to an approximate bottom hole location 2650’ FSL and 2310’ FWL of Section 36-T20S-R32E. In the alternative, Applicant proposes to drill the same wells, with different bottom-hole locations in Section 25, as 2-mile laterals in the 2-Mile HSU. The completed intervals and first and last take points for the wells in either HSU will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of

the well, and a 200% charge for the risk involved in drilling and completing the well. The wells and lands are located approximately 33 miles east of Carlsbad, New Mexico.

In Case No. **20899**, Applicant seeks an order from the Division pooling all uncommitted interests in the 3rd Bone Spring formation (Salt Lake [53560]) in a standard 800-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Sections 24 and 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, Lea County, New Mexico (“2.5-Mile HSU”), or in a standard 640-acre HSU comprised of the W/2 of Sections 24 and 25, Township 20 South, Range 32 East, NMPM, in Lea County, New Mexico (“2-Mile HSU”), if potash needs require 2-mile wells, instead of 2.5 mile wells. Applicant proposes to drill the following wells in the 2.5 Mile HSU: the **Pakse South 24-25-36 Fed Com 321H** well, to be horizontally drilled from an approximate surface hole location 225’ FNL and 1030’ FWL of Section 24-T20S-R32E, to an approximate bottom hole location 2650’ FSL and 1030’ FWL of Section 36-T20S-R32E and the **Pakse South 24-25-36 Fed Com 322H** well, to be horizontally drilled from an approximate surface hole location 225’ FNL and 2310’ FWL of Section 24-T20S-R32E, to an approximate bottom hole location 2650’ FSL and 2310’ FWL of Section 36-T20S-R32E. In the alternative, Applicant proposes to drill the same wells, with different bottom-hole locations in Section 25, as 2-mile laterals in the 2-Mile HSU. The completed intervals and first and last take points for the wells in either HSU will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The wells and lands are located approximately 33 miles east of Carlsbad, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
Walter Jones	45	5-7
Allen Frierson	45	5-7

OPPONENTS EOG RESOURCES, INC:

WITNESSES	EST. TIME	EXHIBITS
TBD	TBD	TBD

PROCEDURAL MATTERS

The above-captioned cases should be consolidated at hearing. If no party objects, Titus will present these cases by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: /s/Sharon T. Shaheen

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Attorneys for Titus Oil & Gas Production, LLC

CERTIFICATE OF SERVICE

I hereby certify that on November 7, 2019, a true and correct copy of the foregoing *Pre-Hearing Statement* was served by electronic mail on the following counsel of record:

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/s/Sharon T. Shaheen
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