

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. **21208**

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

Case No. **21209**

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

Case No. **21210**

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

Case No. **21211**

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

Case No. **21212**



*Cattlemen Wells*

June 25, 2020

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Tab 1

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

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

**Case No. 21212**

**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 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 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.

5. The purpose of these applications is to force pool working interest owners and uncommitted mineral 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. Chevron U.S.A. Inc. (“Chevron”) entered an appearance in all of the above-referenced cases and requested that certain language be included in the anticipated orders, as detailed in Chevron’s prehearing statement filed in these matters. Since that time, Titus has confirmed that Chevron has no interest in Case Nos. 21208 and 21209 and thus does not agree to include the requested language in the orders pertaining to the foregoing cases. Titus does not object to including the requested language in the anticipated orders for the remaining cases, that is, Case Nos. 21210, 21211, and 21212. Consequently, I understand that Chevron does not object to any of these cases being presented by affidavit.

7. In **Case No. 21208**, Titus seeks an order pooling all uncommitted interests in the Bone Spring (Oil) formation (WC-025 G-08 S263412K; Bone Spring [96672]). The standard 240-acre, more or less, HSU underlies 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. Titus proposes to dedicate this HSU to the following well:

- **Cattlemen Fed Com 322H** well (“322H”), to be horizontally drilled from an approximate surface hole location 2084’ FNL and 1994’ FWL (Unit F) of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 1651’ FWL (Unit N) of Section 20, T26S-R35E. The proposed true vertical depth is approximately 12,500’. The approximate total measured depth is 20,420’. The first take point will be located at approximately 2541’ FSL and 1651’ FWL of Section 17-T26S-R35E, and the last take point will be located at approximately 100’ FSL and 1651’ FWL of Section 20-T26S-R35E. The completed interval and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.

8. In **Case No. 21209**, Titus seeks an order pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]). The standard 240-acre, more or less, HSU underlies 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. Titus proposes to dedicate this HSU to the following wells:

- **Cattlemen Fed Com 432H** well (“432H”), to be horizontally drilled from an approximate surface hole location 2084’ FNL and 2054’ FWL (Unit F) of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 2310’ FWL (Unit N) of Section 20, T26S-R35E. The proposed true vertical depth is approximately 12,760’ and the total measured depth is approximately 20,680’. The first take point will be located at approximately 2541’ FSL and 2310’ FWL of Section 17-T26S-R35E, and the last take point will be located at approximately 100’ FSL and 2310’ FWL of Section

17-T26S-R35E. The completed interval and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.

- **Cattlemen Fed Com 512H** well (“512H”), to be horizontally drilled from an approximate surface hole location 2084’ FNL and 2024’ FWL (Unit F) of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 1850’ FWL (Unit N) of Section 20, T26S-R35E. The proposed true vertical depth is approximately 13,050’. The approximate total measured depth is 20,970’. The first take point will be located at approximately 2541’ FSL and 1850’ FWL of Section 17-T26S-R35E, and the last take point will be located at approximately 100’ FSL and 1850’ FWL of Section 20-T26S-R35E. The completed interval and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.

9. In **Case No. 21210**, Titus seeks an order pooling all uncommitted interests in the Bone Spring (Oil) formation (WC-025 G-08 S263412K; Bone Spring [96672]). The standard 240-acre, more or less, HSU underlies the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Titus proposes to dedicate this HSU to the following well:

- **Cattlemen Fed Com 323H** well (“323H”), to be horizontally drilled from an approximate surface hole location 2077’ FNL and 1912’ FEL (Unit G) of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 1650’ FEL (Unit O) of Section 20, T26S-R35E. The proposed true vertical depth is approximately 12,500’ and the total measured depth is approximately 20,420’. The first take point will be located at approximately 2541’ FSL and 1651’ FEL of Section 17-T26S-R35E, and the last take point will be located at approximately 100’ FSL and 1650’ FEL of Section 20-

T26S-R35E. The completed interval and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.

10. In **Case No. 21211**, Titus seeks an order pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]). The standard 240-acre, more or less, HSU underlies the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Titus proposes to dedicate this HSU to the following wells:

- **Cattlemen Fed Com 403H** well (“403H”), to be horizontally drilled from an approximate surface hole location 2077’ FNL and 1972’ FEL (Unit G) of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 2310’ FEL (Unit O) of Section 20, T26S-R35E. The proposed true vertical depth is approximately 12,600’ and the total measured depth is approximately 20,520’. The first take point will be located at approximately 2541’ FSL and 2310’ FEL of Section 17-T26S-R35E, and the last take point will be located at approximately 100’ FSL and 2308’ FEL of Section 20-T26S-R35E. The completed interval and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.
- **Cattlemen Fed Com 513H** well (“513H”), to be horizontally drilled from an approximate surface hole location 2077’ FNL and 1942’ FEL (Unit G) of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 1870’ FEL (Unit O) of Section 20, T26S-R35E. The proposed true vertical depth is approximately 13,050’ and the total measured depth is approximately 20,970’. The first take point will be located at approximately 2541’ FSL and 1870’ FEL of Section 17-T26S-R35E, and the last take point will be located at approximately 100’ FSL and 1870’ FEL of Section 20-

T26S-R35E. The completed interval and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.

11. In **Case No. 21212**, Titus seeks an order pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]). The standard 240-acre, more or less, HSU underlies the E/2 SE/4 of Section 17 and the E/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Titus proposes to dedicate this HSU to the following wells:

- **Cattlemen Fed Com 404H** well (“404H”), to be horizontally drilled from an approximate surface hole location 1948’ FNL and 892’ FEL (Unit H) of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 330’ FEL (Unit P) of Section 20, T26S-R35E. The proposed true vertical depth is approximately 12,600’ and the total measured depth is approximately 20,520’. The first take point will be located at approximately 2541’ FSL and 330’ FEL of Section 17-T26S-R35E, and the last take point will be located at approximately 100’ FSL and 330’ FEL of Section 20-T26S-R35E. The completed interval and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.
- **Cattlemen Fed Com 434H** well (“434H”), to be horizontally drilled from an approximate surface hole location 1948’ FNL and 952’ FEL (Unit H) of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 989’ FEL (Unit P) of Section 20, T26S-R35E. The proposed true vertical depth is approximately 12,760’ and the total measured depth is approximately 20,680’. The first take point will be located at approximately 2541’ FSL and 990’ FEL of Section 17-T26S-R35E, and the last take point will be located at approximately 100’ FSL and 989’ FEL of Section 20-

T26S-R35E. The completed interval and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.

- **Cattlemen Fed Com 514H** well (“514H”), to be horizontally drilled from an approximate surface hole location 1948’ FNL and 922’ FEL (Unit H) of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 530’ FEL (Unit P) of Section 20, T26S-R35E. The proposed true vertical depth is approximately 13,050’ and the total measured depth is approximately 20,970’. The first take point will be located at approximately 2541’ FSL and 530’ FEL of Section 17-T26S-R35E, and the last take point will be located at approximately 100’ FSL and 530’ FEL of Section 20-T26S-R35E. The completed interval and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.

12. A general location map, including the basin, can be found in the exhibit package as **Exhibit A-1** for each of the applications. Please see the Table of Contents in the exhibit package (“TOC”) and each case number referenced therein.

13. Maps illustrating the tracts in the proposed HSUs and the ownership of each individual tract can be found in the exhibit package as **Exhibit A-2** for each of the applications. *See TOC.*

14. **Exhibit A-3**, provided for each application, is a list of each HSUs ownership, with lease numbers and the location of the wellbores. *See TOC.*

15. The ownership breakdown of interests and list of parties to be pooled can be found at **Exhibit A-4** for each application. *See TOC.*



16. A chronology of contacts with the non-joined working interest owner(s) is attached as **Exhibit A-5** for each application. *See* TOC. There are no depth severances in any of the HSUs proposed in the above-referenced applications.

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

18. I have conducted a diligent search of the public records in Lea 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.

19. **Exhibits A-7** include copies of the well proposal letters and the 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.

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

21. **Exhibits A-8** include copies of the notice letters that were sent with the applications to all of the uncommitted interest owners in the proposed HSUs.

22. 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

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

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

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

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

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

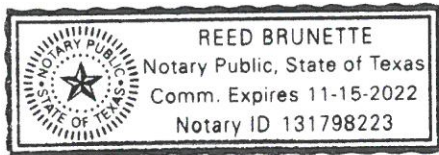
FURTHER AFFIANT SAYETH NAUGHT

Walter P. Jones

Walter P. Jones

STATE OF TEXAS           )  
                                          )ss  
COUNTY OF TARRANT    )

Subscribed to and sworn before me this 23<sup>rd</sup> day of June, 2020.



Reed Brunette

Notary Public

My Commission expires 11/15/2022.

Tab 2

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

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FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case No. 21212**

**AFFIDAVIT OF ALLEN FRIERSON**

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 petroleum geologist employed as the Geology Manager for Titus Oil & Gas Production, LLC (“Titus”), and I am familiar with the subject application and the geology 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 geology matters. My credentials as a petroleum geologist have been

accepted by the Division and made a matter of record. My education and work experience are as follows: I graduated from Washington & Lee University with a bachelor of science degree in geology. I received a master of science degree in geology from the Colorado School of Mines and an MBA from the University of Oklahoma. I have been employed at Titus as a petroleum geologist since 2017 to the present. Prior to working at Titus, I was with Devon Energy from 2013 to 2017. I have been working on New Mexico oil and gas matters for approximately five years.

5. **Exhibits B-1**, provided for each above-referenced application, are geological summaries for the proposed spacing units and related wells. *See* Table of Contents for the exhibit package (“TOC”).

6. **Exhibits B-2** are locator maps with the cross-sections indicated. *See* TOC.

7. **Exhibits B-3** include the spacing unit schematics for each of the above-referenced applications, which illustrate the locations of the horizontal spacing units (“HSU”) outlined by a red-hashed polygon; the approximate locations of the proposed wells; and the wells in the two-well cross-section referenced in the stratigraphic cross-section exhibits (Exhibits B-6).

8. **Exhibits B-4**, provided for each application, are structure maps. The red-hashed polygons indicate the proposed HSUs. The contour intervals of the structure maps are 50’ contour intervals and are green lines on the map with depth labels. Data control points are posted in pink. I do not observe any faulting, pinch-outs, or other geologic impediments or hazards to developing these targeted intervals with horizontal wells.

9. **Exhibits B-5**, provided for each application, are isopach maps, which are formatted similarly to the structure maps (Exhibits B-4). Contour intervals are 10’ on these maps.

10. In Case Nos. 21208 and 21210, which propose the Bone Spring Cattlemen Fed Com 322H and 323H laterals respectively, **Exhibits B-5** indicate that these wells are placed in a zone that is consistently greater than 340'-thick for the entirety of the lateral.

11. In Case Nos. 21211 and 21212, which propose the Wolfcamp X/Y Cattlemen Fed Com 403H and 404H respectively, among others, **Exhibits B-5** indicate that these wells are placed in a zone that is consistently greater than 120'-thick for the entirety of the lateral.

12. In Case Nos. 21209 and 21212, which propose the Wolfcamp A Cattlemen Fed Com 432H and 434H respectively, among others, **Exhibits B-5** indicate that these wells are placed in a zone that is consistently greater than 270'-thick for the entirety of the lateral.

13. In Case Nos. 21209, 21211, and 21212, which propose the Wolfcamp B Cattlemen Fed Com 512H, 513H, and 514H respectively, among others, **Exhibits B-5** indicate that these wells are placed in a zone that is consistently greater than 300'-thick for the entirety of the lateral.

14. **Exhibits B-5** further support that there are no interpreted faults, pinch-outs, or other geologic impediments or hazards to developing this targeted interval with a horizontal well.

15. **Exhibits B-6**, provided for each application, are stratigraphic cross-sections portraying a triple combo log. In each **Exhibit B-6**, Track 1 is the gamma ray log, which is scaled from 0 to 150 api units. Track 2 are neutron (blue) and density (red) porosity logs scaled from 40% to -10%. The green shading on the density porosity log is greater than 6%. Track 3 is the deep resistivity log from 0.2 ohmm to 2000 ohmm. The red shading on the curve is greater than 20 ohmm. A combination of these logs were used to determine "pay" and select the landing zone for each well. The cross-sections identify the key tops used to evaluate reservoirs and landing targets for the proposed wells. Simplified wellbores are on the cross-sections showing the landing target intervals in the Northwest to Southeast stratigraphic cross-sections.

16. **Exhibits B-7**, included for each application, contain gunbarrel diagrams depicting each well. These show the approximate landing zones in reference to the type logs for the area, and the associated spacing of the wellbores within the quarter-section width HSUs.

17. The total vertical depths and measured depths for each well are as follows:

	<u>MD</u>	<u>TVD</u>	<u>CASE NO.</u>
322H	20,420'	12,500'	21208
323H	20,420'	12,500'	21210
403H	20,520'	12,600'	21211
404H	20,520'	12,600'	21212
432H	20,680'	12,760'	21209
434H	20,680'	12,760'	21212
512H	20,970'	13,050'	21209
513H	20,970'	13,050'	21211
514H	20,970'	13,050'	21212

18. In Case Nos. 21208 and 21210, which propose the 322H and 323H respectively, the total vertical depth of the target formation is approximately 12,137' (Top of the 3rd Bone Spring) to approximately 12,515' (Base of the 3rd Bone Spring) based on the Beckham 19 1 (API: 30025370) type log.

19. In Case Nos. 21211 and 21212, which propose the 403H and 404H respectively, among others, the total vertical depth of the target formation is approximately 12,515' (Top of the Wolfcamp X/Y) to approximately 12,645' (Base of the Wolfcamp X/Y) based on the Beckham 19 1 (API: 30025370) type log.

20. In Case Nos. 21209 and 21212, which propose the 432H and 434H respectively, among others, the total vertical depth of the target formation is approximately 12,645' (Top of the Wolfcamp A) to approximately 12,959' (Base of the Wolfcamp A) based on the Beckham 19 1 (API: 30025370) type log.



21. In Case Nos. 21209, 21211, and 21212, which propose the 512H, 513H, and 514H respectively, among others, the total vertical depth of the target formation is approximately 12,959' (Top of the Wolfcamp B) to approximately 13,337' (Base of the Wolfcamp B) based on the Beckham 19 1 (API: 30025370) type log.

22. Based on my geologic study of the area, I conclude the following:

- a. The horizontal spacing and proration units are justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the units will contribute more or less equally to production.
- d. The preferred well orientation in this area is north-south. This is because the inferred orientation of the maximum horizontal stress is roughly east-west.

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

24. The granting of this Application is in the interests of conservation and the prevention of waste.

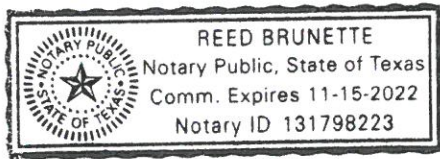
25. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

  
\_\_\_\_\_  
Allen Frierson

STATE OF TEXAS            )  
                                          )ss  
COUNTY OF TARRANT    )

Subscribed to and sworn before me this 23 day of June, 2020.



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

My Commission expires 11/15/2022\_\_\_\_\_.

Tab 3

# COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<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)	

Well #1	<p>Cattlemen Fed Com 322H, API No. Pending</p> <p>SHL: 2084' FNL and 1994' FWL, Section 17-T26S-R35E, NMPM</p> <p>BHL: 10' FSL and 1651' FWL, Section 20-T26S-R35E, NMPM</p> <p>Completion Target: 3rd Bone Spring at approx. 12,500 Feet TVD</p> <p>Well Orientation: North to South</p> <p>Completion location expected to be standard</p>
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>	

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
<b>Forms, Figures and Tables</b>	
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
<b>Additional Information</b>	None
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Sharon T. Shaheen
<b>Signed Name</b> (Attorney or Party Representative):	<i>Sharon T. Shaheen</i>
<b>Date:</b>	6/23/2020

**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. 21208**

**APPLICATION**

Titus Oil & Gas Production, LLC (“Titus”) hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests 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. In support of its application, Titus states as follows:

1. Titus is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Titus proposes to drill the following well in the proposed HSU: Cattlemen Fed Com 322H well, to be horizontally drilled from an approximate surface hole location 2084’ FNL and 1994’ FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 1651’ FWL of Section 20, T26S-R35E.
3. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells.
4. Titus has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

5. Approval of the HSU and the pooling of all mineral interest owners in the Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit Titus to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Titus should be designated the operator of the HSU.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 2, 2020, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating 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;

B. Pooling all mineral interests in the Bone Spring formation underlying the HSU;

C. Allowing the drilling of the 1.5 mile Cattlemen Fed Com 322H well in the HSU;

D. Designating Titus as operator of the HSU and the wells to be drilled thereon;

E. Authorizing Titus to recover its costs of drilling, equipping and completing the well;

F. Approving the 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; and

G. Imposing a 200% penalty for the risk assumed by Titus in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.



Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

John F. McIntyre

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

[sshaheen@montand.com](mailto:sshaheen@montand.com)

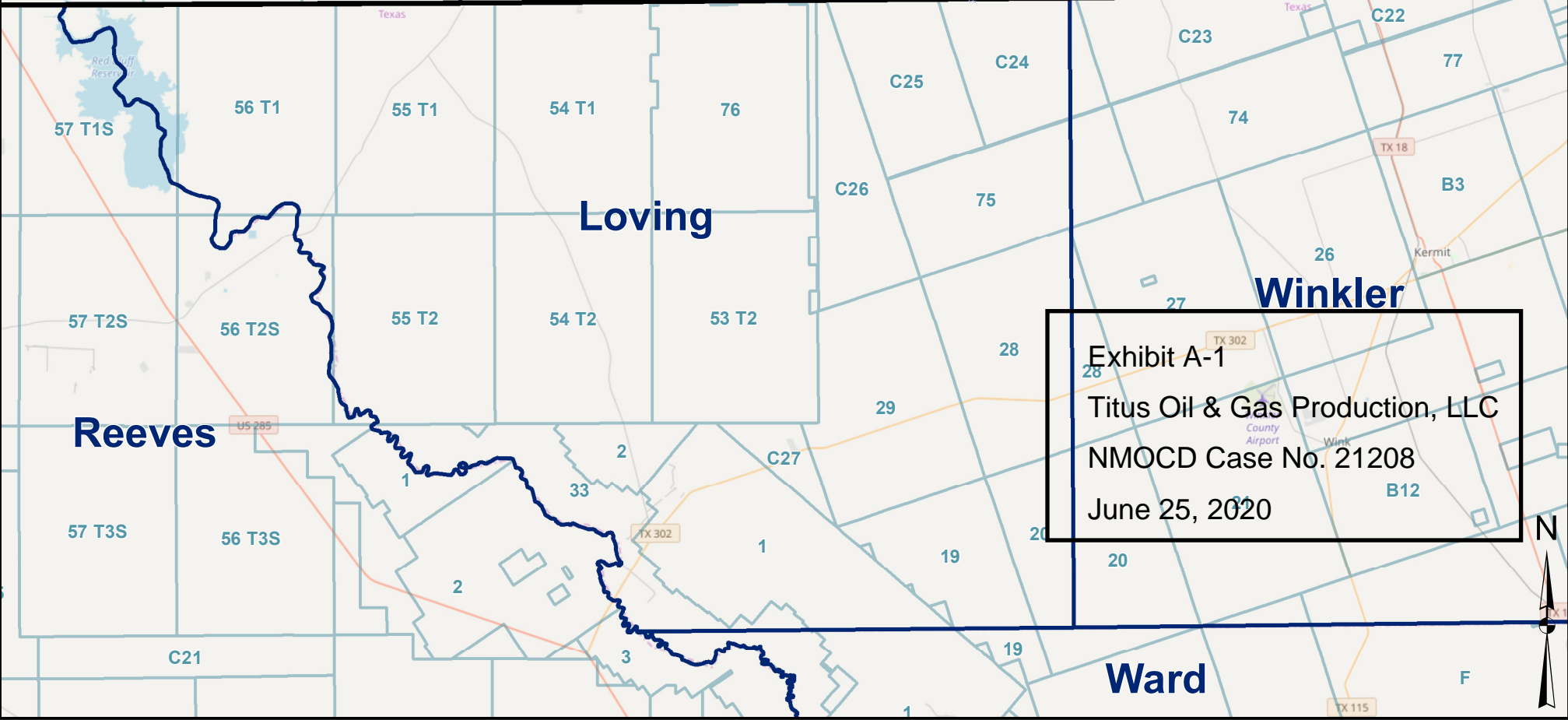
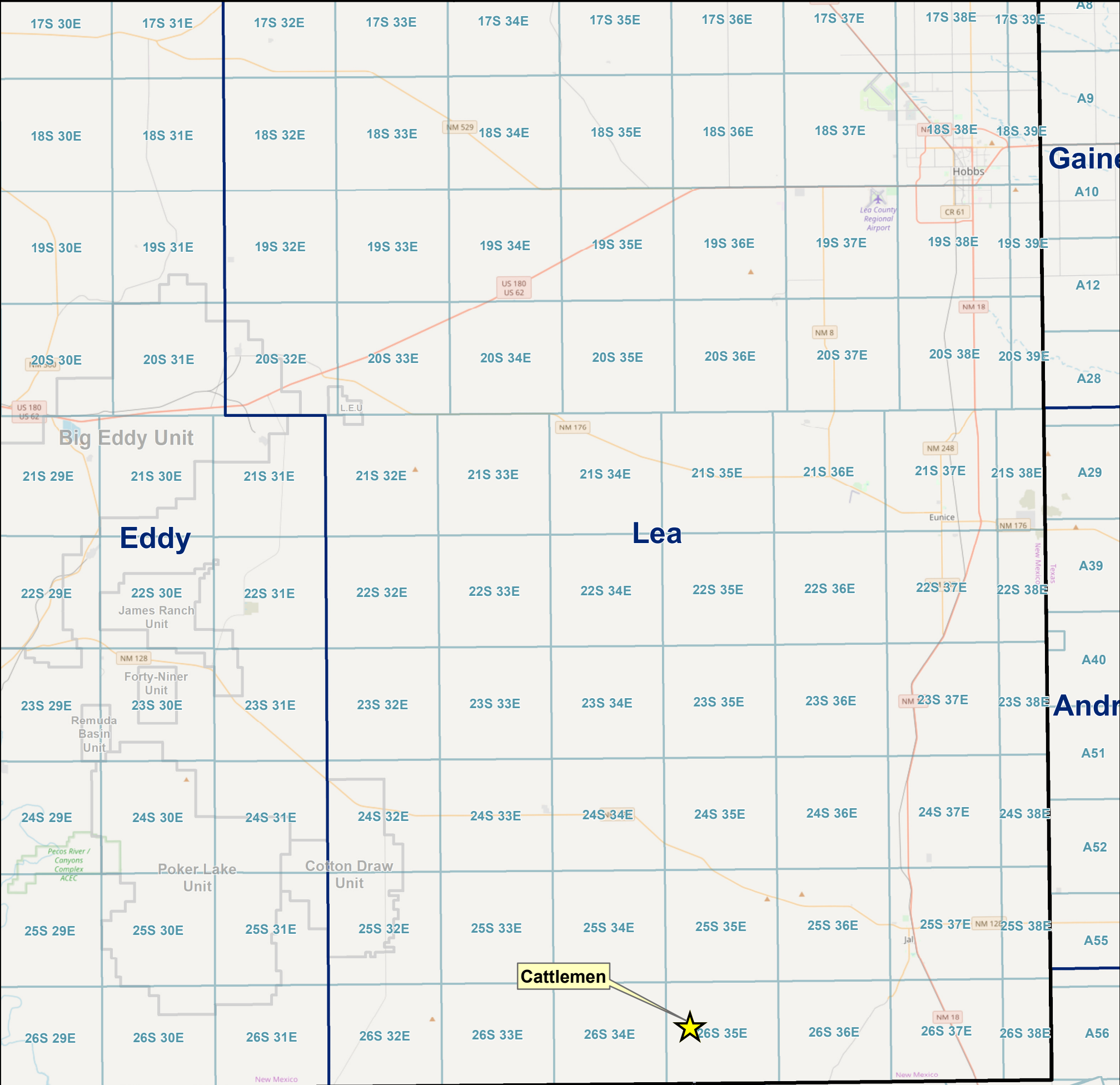
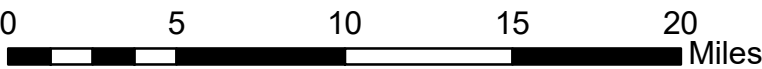
[jmcintyre@montand.com](mailto:jmcintyre@montand.com)

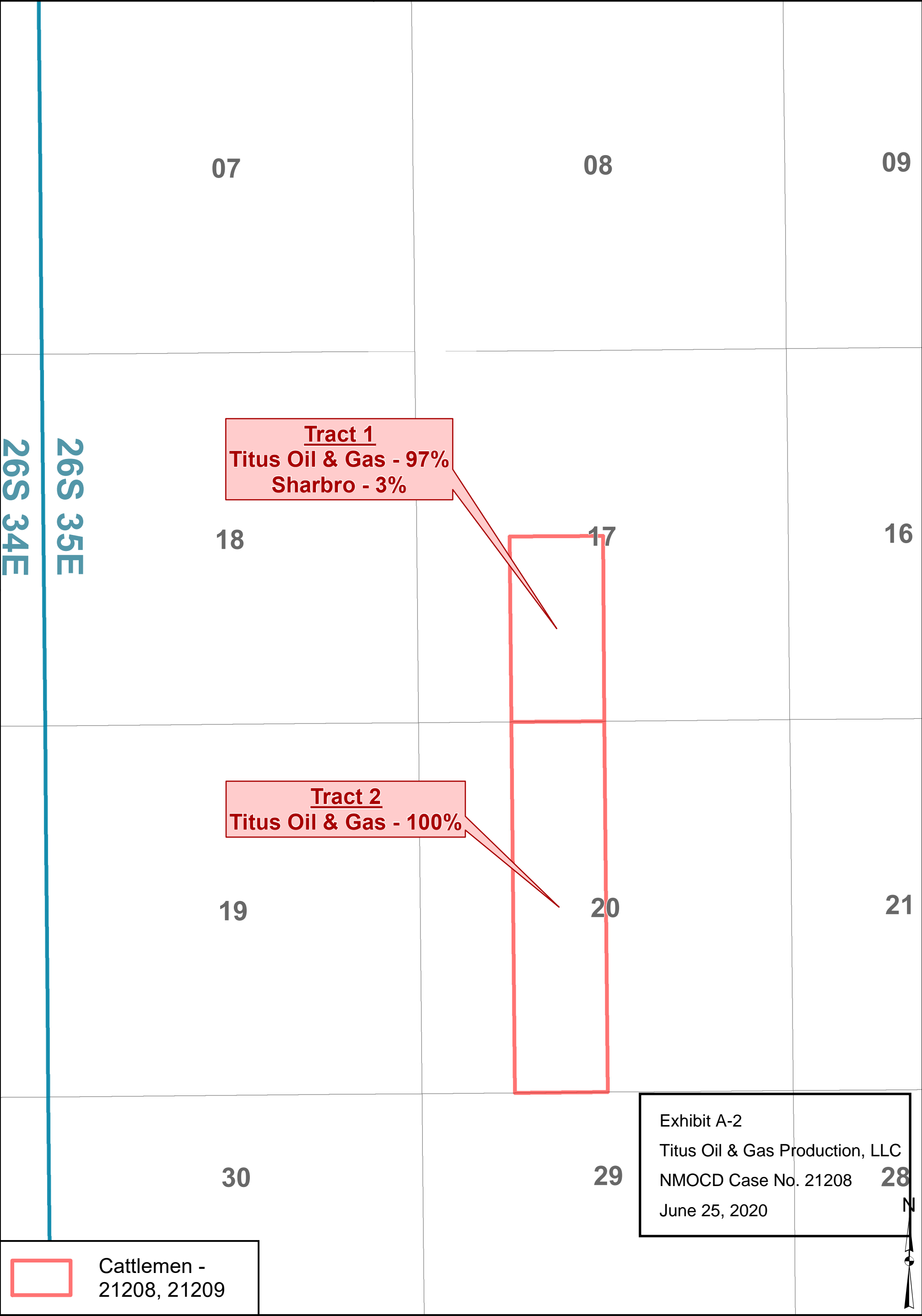
*Attorneys for Titus Oil & Gas Production, LLC*

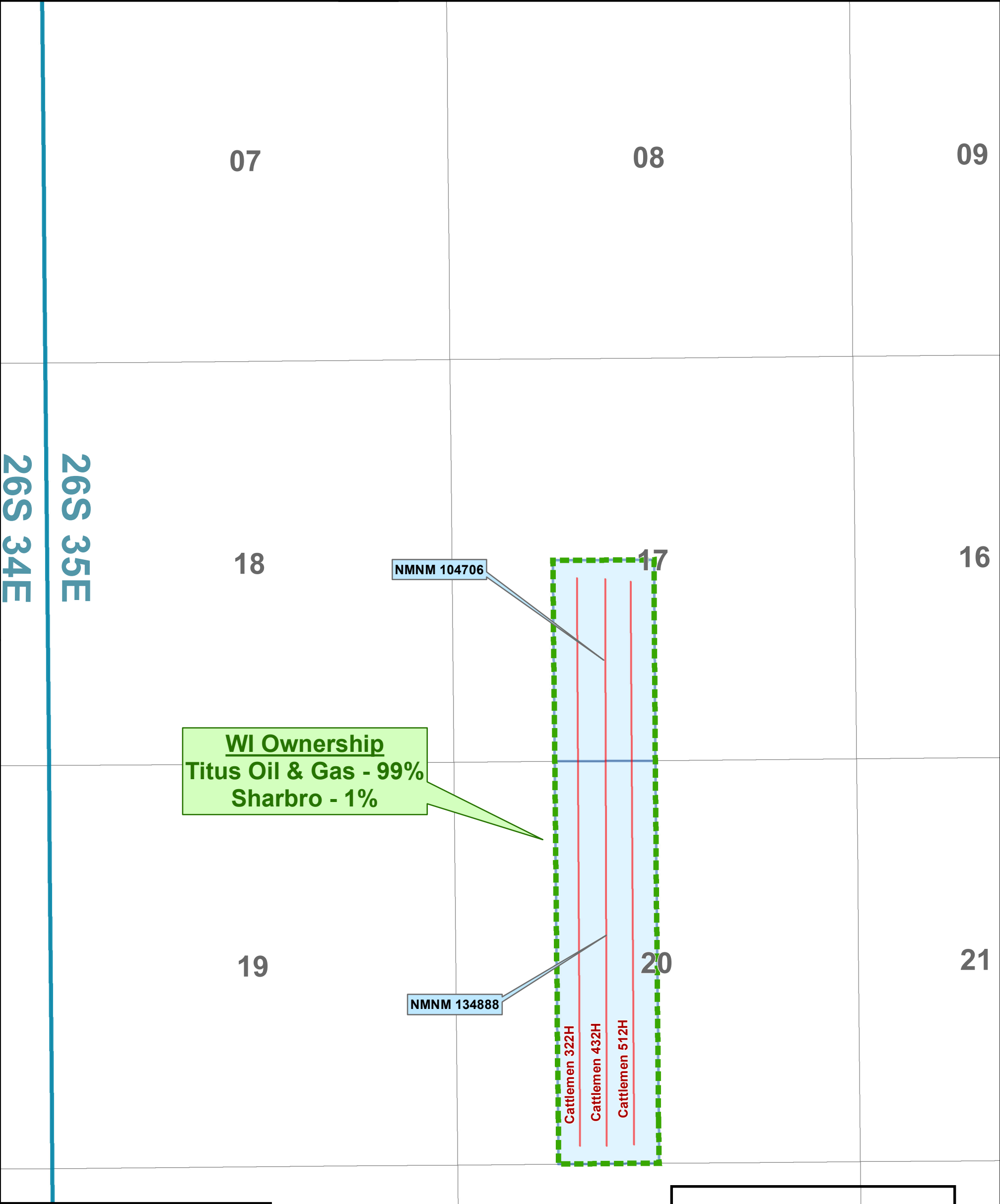


# Cattlemen - Delaware Basin

Lea County, New Mexico; T-26-S, R-35-E







**CONTRACT AREA:**

T26S-R35E  
Section 17: E/2 SW/4  
Section 20: E/2 W/2  
Lea County New Mexico, containing 240.00 acres, more or less.

**DEPTH RESTRICTIONS:**

All depths below the base of the Delaware formation.

**INTEREST OF THE PARTIES TO THIS AGREEMENT:**

Interest Owners	Working Interest
Titus Oil & Gas Production, LLC 420 Throckmorton Street, Suite 1150 Fort Worth, TX 76102 wjones@titusoil.com Attn: Land Department	99.00%
Sharbro Energy, LLC PO Box 840 Artesia, NM 88211	1.00%
Total:	100.0000%

**OIL AND GAS LEASES SUBJECT TO THIS AGREEMENT:**

Lessor: United States of America – USA NMNM 104706  
Lessee: Yates Petroleum, et al  
Date: June 1, 2000  
Description: E/2 SW/4 of Section 17, T26S, R35E, NMPM  
Lea County, NM

Lessor: United States of America – USA NMNM 134888  
Lessee: Reagan Smith Energy Solutions, Inc.  
Date: October 1, 2015  
Description: E/2 W/2 of Section 20, T26S, R35E, NMPM  
Lea County, NM

Exhibit A-4  
Titus Oil & Gas Production, LLC  
NMOCD Case No. 21208  
June 25, 2020

Contact	Type	Notes	Contact Info
Sharbro Energy, LLC	Emails and Phone Calls	<p>4/29/2019 - emailed to inquire about Sharbro's interest in selling its interest in 26S-35E</p> <p>5/10/2019 - I spoke to Liz Baker on the phone and she asked that I send her an offer via email. I emailed Liz and included an offer letter for their working interest in the W/2 of Section 17</p> <p>5/22/2019 - I did not hear back from her so I sent a follow-up email to see what their thoughts were on the offer</p> <p>8/6/2019 - Sharbro responded with a higher asking price and want to retain an ORRI</p> <p>8/29/2019 - We responded to their counter-offer by increasing our original offer but said that if they wanted to retain an override the purchase price per acre would be scaled-down accordingly</p> <p>11/4/2019 - Heard back about offer, had questions regarding pooling of interests. I responded to her email answering her questions about EOG's ownership here and also included a new offer letter including their interest in Sections 18 &amp; 30</p> <p>11/12/2019 - had not heard back so I sent a follow-up email to see if they had any questions. She responded saying that they are going to discuss our offer soon. She asked if we could provide any well information.</p> <p>11/14/2019 - I sent her the names of our wells so she could look up the info on the RRC website.</p> <p>11/26/2019 - asked if they had discussed our offer internally</p> <p>12/5/2019 - I sent her another follow-up to see if they had discussed our offer.</p> <p>1/10/2020 - spoke with Liz on the phone and discussed our offer</p> <p>3/20/2020 - Sharbro sent elections for multiple Titus well proposals. Titus to provide JOA for review.</p>	<p>Liz Baker Land Manager ebaker@sharbroenergy.com</p>

Exhibit A-5

Titus Oil & Gas Production, LLC

NMOCD Case No. 21208

June 25, 2020

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code 96672	3 Pool Name WC-025 G-08 S263412K; Bone Spring
4 Property Code	5 Property Name CATTLEMEN FED COM	6 Well Number 322H
7 OGRID No. 373986	8 Operator Name TITUS OIL & GAS PRODUCTION LLC	9 Elevation 3229'

10 Surface Location

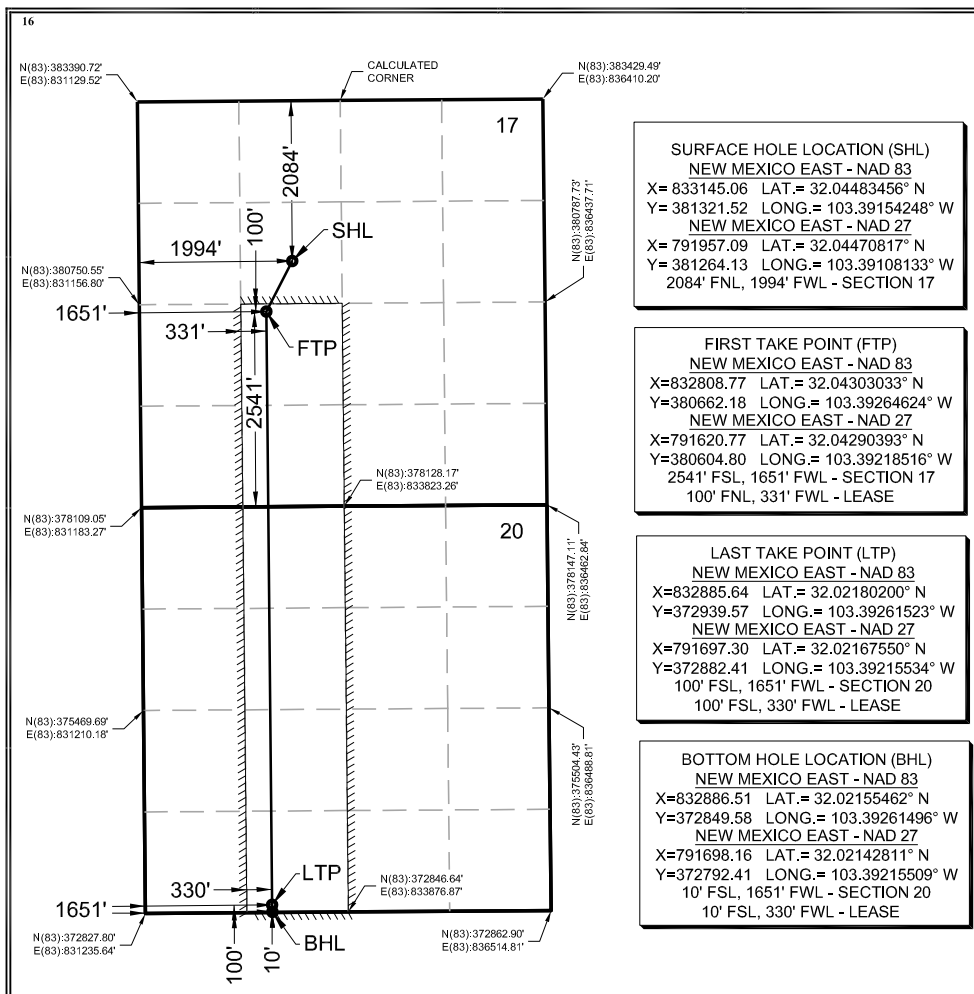
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	17	26-S	35-E		2084'	NORTH	1994'	WEST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	20	26-S	35-E		10'	SOUTH	1651'	WEST	LEA

12 Dedicated Acres 240	13 Joint or Infill Y	14 Consolidation Code	15 Order No.
---------------------------	-------------------------	-----------------------	--------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Ryan DeLong* Date: 1/22/2020

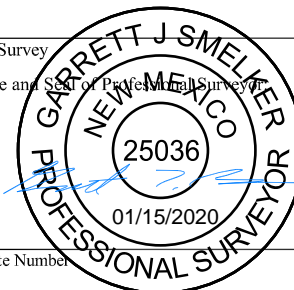
Ryan DeLong - Regulatory Manager  
Printed Name

rdelong@titusoil.com  
E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey  
Signature and Seal of Professional Surveyor



Certificate Number

Exhibit A-6, Titus Oil & Gas Production, LLC, NMOCD Case No.  
21208 June 25, 2020

**Titus Oil & Gas Production, LLC**

420 Throckmorton Street, Suite 1150  
Fort Worth, Texas 76102

January 28, 2020

**Federal Express**

Sharbro Energy, LLC  
327 W. Main Street  
Artesia, NM 88210

RE: Cattlemen Fed Com 322H Well Proposal  
T26S-R35E  
Lea County, New Mexico

Dear Working Interest Owner,

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the Cattlemen Fed Com 322H ("Subject Well") to an approximate True Vertical Depth of 12,500' and an approximate Total Measured Depth of 20,420' in order to test the Bone Spring formation. The proration unit will include the E2SW4 Section 17 & E2W2 Section 20, T26S-R35E, Lea County, New Mexico. **Please note that Titus hereby rescinds the well proposals dated July 3, 2019 for the El Campeon North 20-17 Fed #323H, #324H, #403H, #404H, #433H, #434H, #514H, #515H and #516H wells which may have had partially overlapping proration units with the Subject Well.**

The estimated cost of drilling, completing, and equipping the Subject Well is \$9,644,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 2084' FNL and 1994' FWL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FSL and 1650' FWL of Section 20, T26S-R35E. The Subject Well's first take point will be approximately 2540' FSL and 1650' FWL of Section 17, T26S-R35E, and the last take point will be approximately 100' FSL and 1650' FWL of Section 20, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: E2SW4 and Section 20: E2W2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 20%, proportionately reduced
- \$7,500 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined below.

Sincerely,



Walter P. Jones  
Vice President - Land  
(817) 852-6875  
wjones@titusoil.com

Exhibit A-7

Titus Oil & Gas Production, LLC

NMOCD Case No. 21212

June 25, 2020



Please select one of the following and return:

\_\_\_\_\_ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 322H.

\_\_\_\_\_ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 322H.

\_\_\_\_\_ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

Sharbro Energy, LLC

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

<b>Well Name</b>	Cattlemen Fed Com 322H	<b>MD / TVD</b>	20,420'	12,500'
<b>Legal</b>	E2SW4 Section 17 & E2W2 Section 20, T26S-R35E	<b>Cty / State</b>	Lea	NM
<b>Formation</b>	3rd Bone Spring	<b>Field</b>	Jabalina	

<b>INTANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Land/ Legal/ Regulatory/ Insurance	\$ 58,614	\$ -	\$ -	\$ -	\$ 58,614
Location/ Surveys/ Damages	\$ 240,968	\$ 3,702	\$ -	\$ -	\$ 244,670
Daywork Contract	\$ 786,727	\$ 323,981	\$ 24,936	\$ -	\$ 1,135,643
Mob / Trucking / Cranes/ Fork Lift	\$ 65,126	\$ 387,050	\$ 7,422	\$ 25,888	\$ 485,486
Fuel & Power	\$ 148,488	\$ 3,976	\$ -	\$ -	\$ 152,464
Directional Drilling Services	\$ 386,851	\$ -	\$ -	\$ -	\$ 386,851
Bits	\$ 126,345	\$ -	\$ -	\$ -	\$ 126,345
Mud & Chemicals	\$ 260,506	\$ -	\$ -	\$ -	\$ 260,506
Water	\$ 52,101	\$ 386,090	\$ -	\$ -	\$ 438,191
Disposal/ Closed Loop/ HES	\$ 195,379	\$ 21,114	\$ 104,111	\$ -	\$ 320,604
Cement/ Csg equip & services	\$ 345,170	\$ -	\$ -	\$ -	\$ 345,170
Rental - Surface	\$ 162,816	\$ 329,465	\$ 107,177	\$ -	\$ 599,458
Rental - Subsurface	\$ 97,690	\$ 62,794	\$ 13,726	\$ -	\$ 174,210
Company Supervision	\$ 17,975	\$ 29,615	\$ -	\$ -	\$ 47,590
Contract Supervision	\$ 129,719	\$ 107,080	\$ 8,678	\$ -	\$ 245,477
Geologic Evaluation	\$ 36,471	\$ 47,301	\$ -	\$ -	\$ 83,772
Perf & Wireline Services	\$ -	\$ 184,681	\$ 7,422	\$ -	\$ 192,104
Contract Labor	\$ 37,773	\$ 18,783	\$ 32,040	\$ 81,817	\$ 170,414
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 35,099	\$ 179,730	\$ -	\$ 214,829
Services Wellhead	\$ 15,630	\$ 54,705	\$ 5,710	\$ -	\$ 76,045
Stimulation	\$ -	\$ 1,551,215	\$ -	\$ -	\$ 1,551,215
Material Consumables	\$ -	\$ 524,018	\$ -	\$ -	\$ 524,018
Contingency	\$ -	\$ 203,465	\$ 24,548	\$ 5,385	\$ 233,398
<b>Total Intangibles</b>	<b>\$ 3,164,348</b>	<b>\$ 4,274,135</b>	<b>\$ 515,500</b>	<b>\$ 113,090</b>	<b>\$ 8,067,074</b>

<b>TANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Casing	\$ 811,475	\$ -	\$ -	\$ -	\$ 811,475
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 91,177	\$ 110,919	\$ 7,323	\$ -	\$ 209,419
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ 18,547
<b>Total Tangibles</b>	<b>\$ 902,652</b>	<b>\$ 110,919</b>	<b>\$ 157,663</b>	<b>\$ 405,693</b>	<b>\$ 1,576,926</b>
<b>Total DC&amp;E</b>	<b>\$ 4,067,000</b>	<b>\$ 4,385,054</b>	<b>\$ 673,163</b>	<b>\$ 518,783</b>	<b>\$ 9,644,000</b>

Non Operating Partner Approval

<b>Company:</b>	<b>By:</b>	<b>Date:</b>
	<b>Its:</b>	



**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 13, 2020

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

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

**Re:** Case No. **21208** - Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 322H**

Case No. **21209** – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 432H and 512H**

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Titus Oil & Gas Production, LLC ("Titus") has filed five (5) Applications with the New Mexico Oil Conservation Division for orders regarding the proposed wells described below. You are receiving this notice because you may have an interest in one or more of these wells.

**Case No. 21208: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Bone Spring (Oil) 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. Applicant proposes to drill the following well: **Cattlemen Fed Com 322H** well, to be horizontally drilled from an approximate surface hole location 2084' FNL and 1994' FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 1651' FWL of Section 20, T26S-R35E. The completed interval and first and last take points for this well 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

**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

Exhibit A-8

Titus Oil & Gas Production, LLC

NMOCD Case No. 21208

June 25, 2020

a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 13 miles southwest of Jal, New Mexico.

**Case No. 21209: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) 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. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 432H** well, to be horizontally drilled from an approximate surface hole location 2084' FNL and 2054' FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 2310' FWL of Section 20, T26S-R35E, and (2) **Cattlemen Fed Com 512H** well, to be horizontally drilled from an approximate surface hole location 2084' FNL and 2024' FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 1850' FWL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells 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 13 miles southwest of Jal, New Mexico.

The attached Applications will be set for hearing before a Division Examiner **on April 2, 2020, at 8:15 a.m.** at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. 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 and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **March 26, 2020**, in accordance with Division Rule 19.15.4.13 NMAC.

All Interest Owners  
March 13, 2020  
Page 3

Please feel free to contact me if you have any questions about these Applications.

Very truly yours,



Sharon T. Shaheen

STS/lt

Enclosures

cc: Titus Oil & Gas Production, LLC, *via email*

## **EXHIBIT A**

### **INTEREST OWNERS**

#### **Working Interest Parties:**

Sharbro Energy, LLC  
P.O. Box 840  
Artesia, NM 88221-1091

#### **Additional Interested Party:**

Bureau of Land Management  
414 W. Taylor  
Hobbs, NM 88240-1157

State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

# Summary

## Bone Spring Pooling – Lea County, New Mexico

Titus Oil & Gas Production, LLC (“Titus”) seeks an order from the Division pooling all uncommitted interests in the Bone Spring (Oil) 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. Applicant proposes to drill the following well: **Cattlemen Fed Com 322H** well, to be horizontally drilled from an approximate surface hole location 2084’ FNL and 1994’ FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 1651’ FWL of Section 20, T26S-R35E. The completed interval and first and last take points for this well will meet statewide setback requirements for horizontal wells. The well will target the 3<sup>rd</sup> Bone Spring at an approximate True Vertical Depth of 12,500’.

The well will be drilled from north-to-south for a couple of reasons. Published literature related to the maximum horizontal stress in this part of the Delaware Basin supports a near east-to-west orientation; thus, preferred drilling orientation is orthogonal to this in order to complete a more successful stimulation. Also, this aligns with the remainder of ‘Titus’ planned development in the adjoining tracts, and therefore, doesn’t strand any acreage or reserves.

No depth severances apply.

See attached exhibits for spacing unit schematic, gunbarrel/lateral trajectory schematic, and horizontal spacing unit cross-section.



Exhibit B-1

Titus Oil & Gas Production, LLC

June 25, 2020

# Locator Map

With Cross-Section

-  Pooling outline
-  Cross-Section line

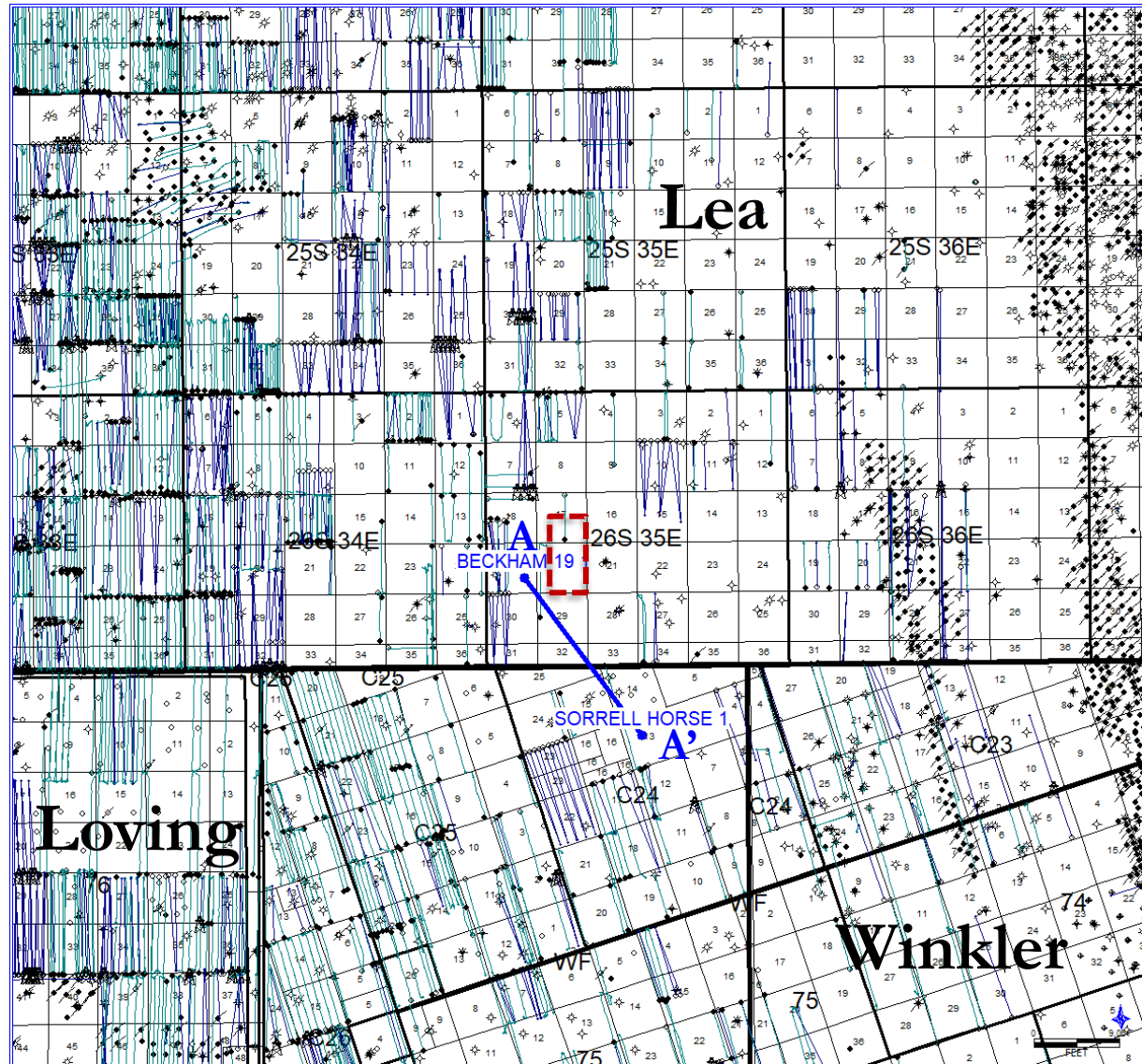


Exhibit B-2  
Titus Oil & Gas Production  
June 25, 2020



# Spacing Unit Schematic

With Approximate Well Location




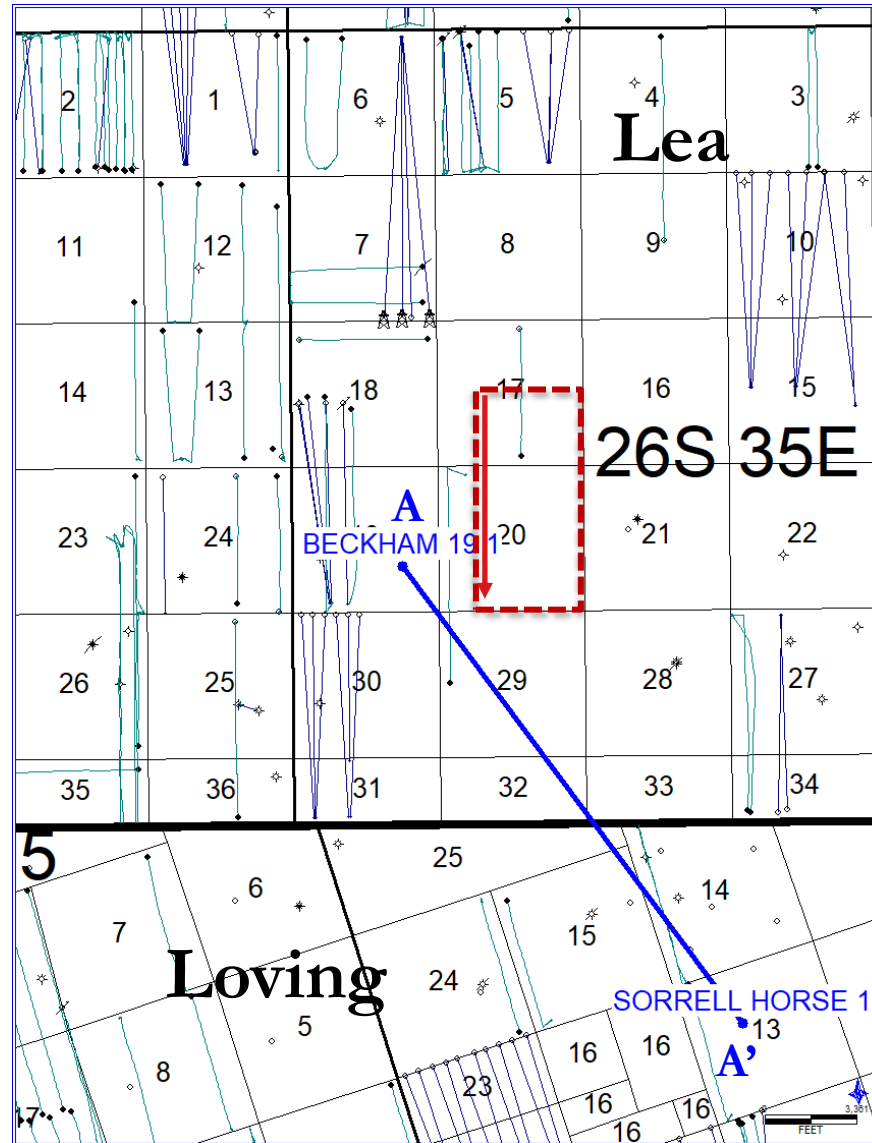
-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed Com 322H Wellbore

Exhibit B-3

Titus Oil & Gas Production, LLC

June 25, 2020



# 3<sup>rd</sup> Bone Spring Sand Structure Map

Contour Interval: 50 ft.

Subsea Depth






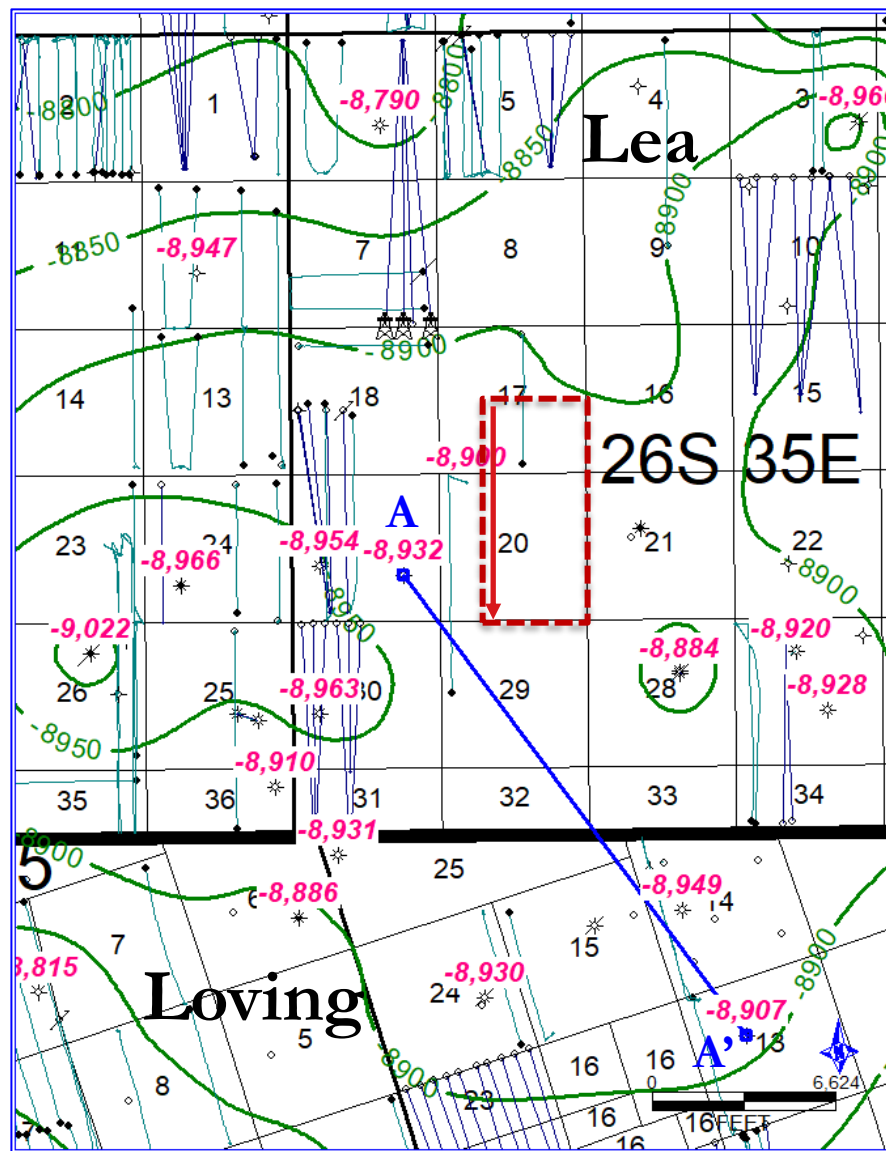
-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed Com 322H Wellbore
-  3<sup>rd</sup> Bone Spring Sand structure contours
-  -8,900 Control points

Exhibit B-4






Titus Oil & Gas Production, LLC

June 25, 2020



# 3<sup>rd</sup> Bone Spring Sand Isopach Map

Contour Interval: 10 ft.

-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed  
Com 322H  
Wellbore
-  3<sup>rd</sup> Bone Spring Sand  
isopach contours
-  300 Control points

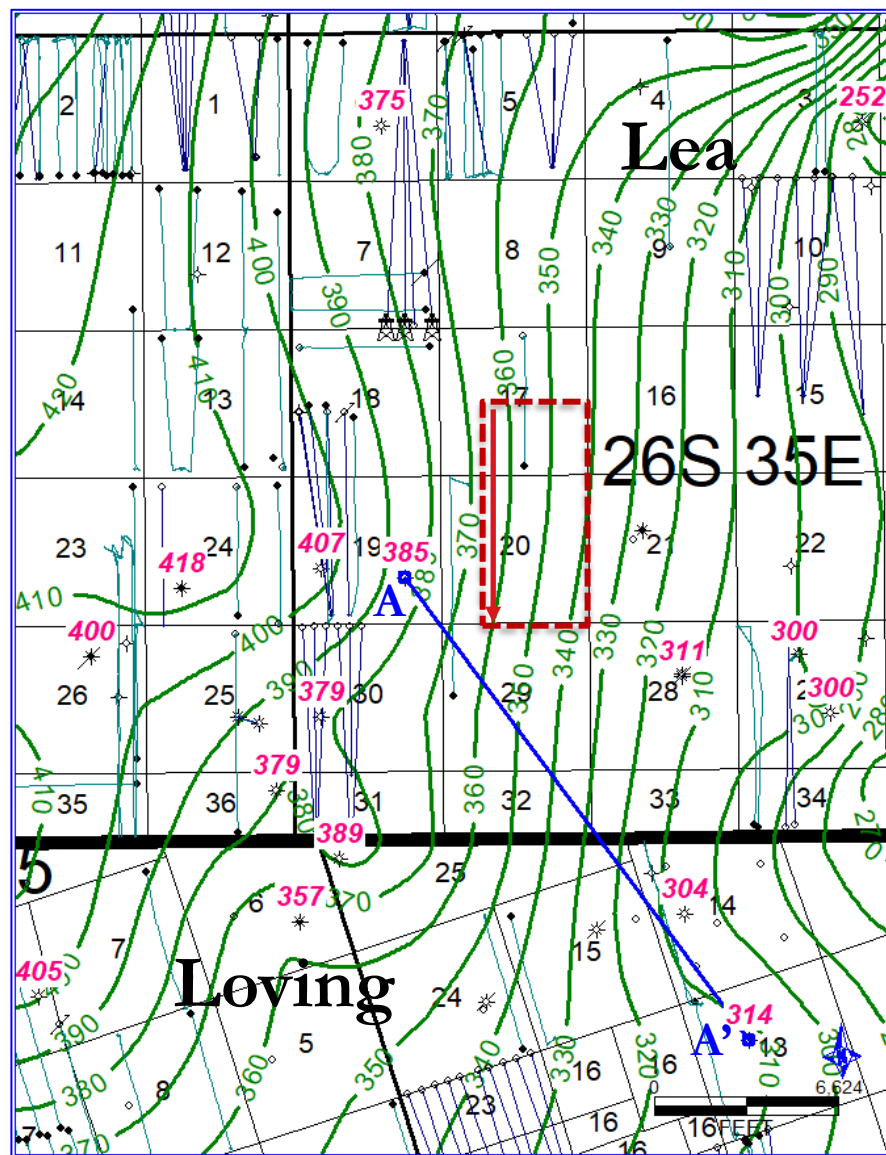


Exhibit B-5

Titus Oil & Gas Production, LLC

June 25, 2020

# HSU Cross-Section

## Petrophysical Logs Support 3<sup>rd</sup> Bone Spring Sand Target / Landing Zone

A

T26S R35E S19  
30025370800000  
BECKHAM 19 1



BC24 S13  
42301303570000  
SORRELL HORSE 1



A'

Exhibit B-6

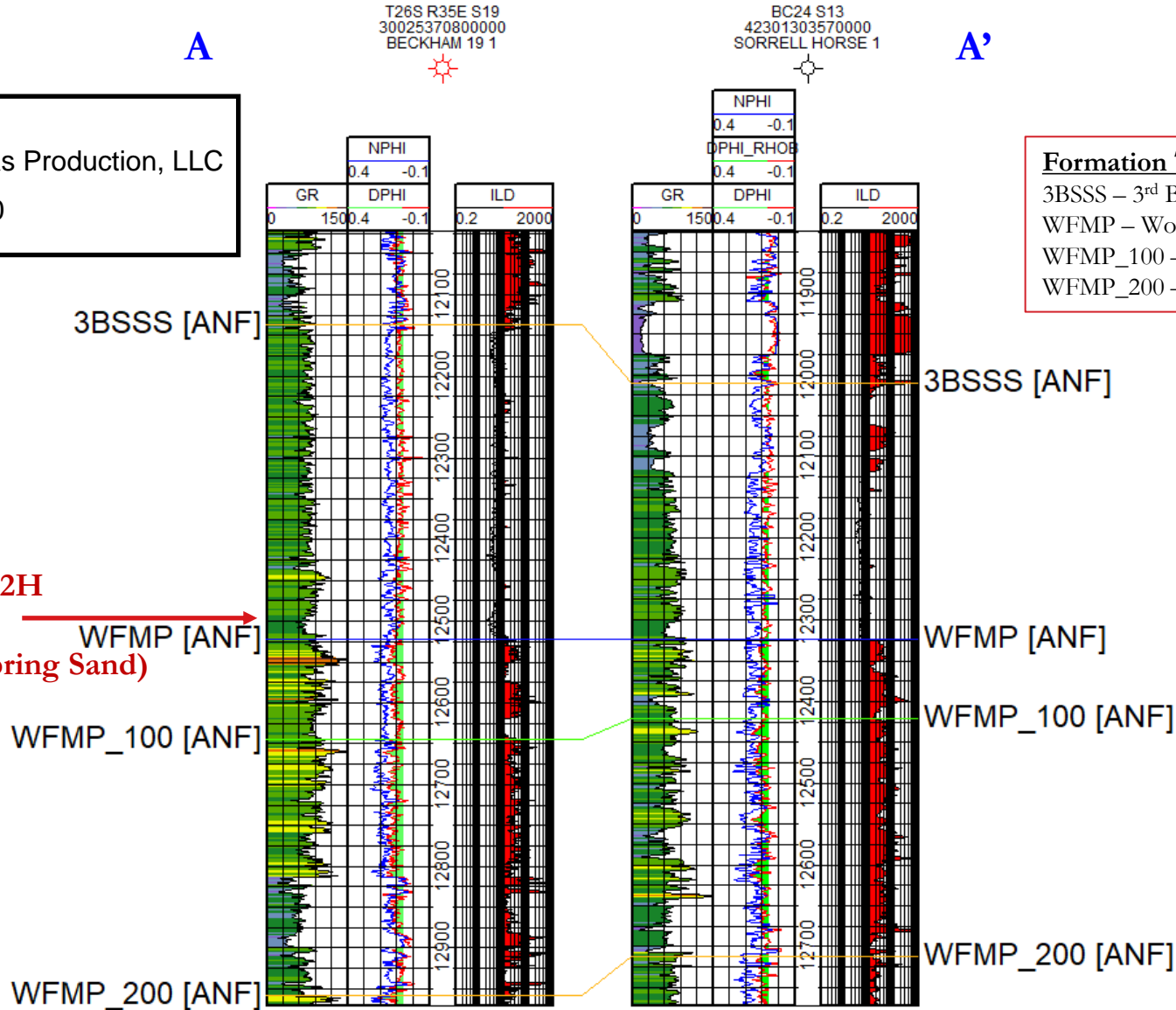
Titus Oil & Gas Production, LLC

June 25, 2020

### Formation Top Key:

3BSSS – 3<sup>rd</sup> Bone Spring Sandstone  
WFMP – Wolfcamp  
WFMP\_100 – Wolfcamp A  
WFMP\_200 – Wolfcamp B

Cattlemen  
Fed Com 322H  
Target  
(3<sup>rd</sup> Bone Spring Sand)



# Titus' Cattlemen Horizontal Spacing Unit Gunbarrel

Cattlemen Fed Com 322H – 3<sup>rd</sup> Bone Spring Sand target

Exhibit B-7

Titus Oil & Gas Production, LLC

June 25, 2020

Cattlemen  
HSU

Beckham 19 1  
Sec. 19 – 26S – 35E

*LOWER BRUSHY*

*LEONARD A*

*LEONARD B*

*LEONARD C*

*1<sup>ST</sup> BONE SPRING SAND*

*2<sup>ND</sup> BONE SPRING SHALE*

*2<sup>ND</sup> BONE SPRING LIME*

*2<sup>ND</sup> BONE SPRING SAND*

*3<sup>RD</sup> BONE SPRING LIME*

*3<sup>RD</sup> BONE SPRING SHALE*

*3<sup>RD</sup> BONE SPRING SAND*

*WOLFCAMP XY*

*WOLFCAMP A*

*WOLFCAMP B*

FWL'

1650'

2640'

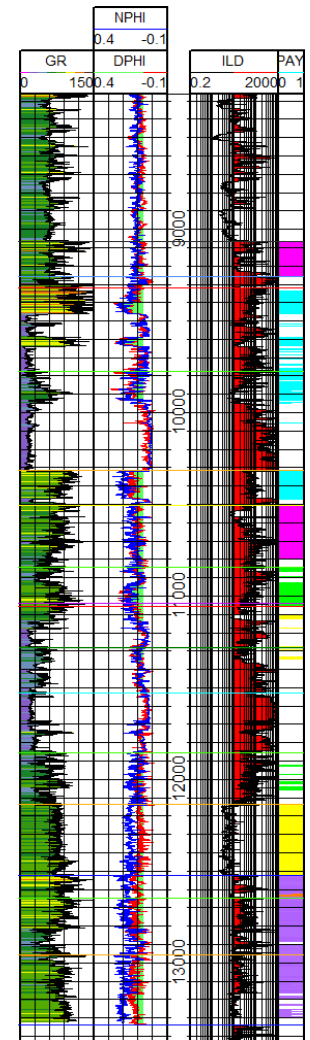
1/2 Section – 2640'

Cattlemen Fed  
Com 322H

322

1650'

990'



\*Depth ticks = 100'

Tab 4

# COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 21209</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:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	WC-025 G-09 S263619C; Wolfcamp [98234]
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)	

Well #1	<p>Cattlemen Fed Com 432H, API No. Pending</p> <p>SHL: 2084' FNL and 2054' FWL, Section 17-T26S-R35E, NMPPM</p> <p>BHL: 10' FSL and 2310' FWL, Section 20-T26S-R35E, NMPPM</p> <p>Completion Target: Wolfcamp A at approx. 12,760' TVD</p> <p>Well Orientation: North to South</p> <p>Completion location expected to be standard</p>
Well #2	<p>Cattlemen Fed Com 512H, API No. Pending</p> <p>SHL: 2084' FNL and 2024' FWL, Section 17-T26S-R35E, NMPPM</p> <p>BHL: 10' FSL and 1850' FWL, Section 20-T26S-R35E, NMPPM</p> <p>Completion Target: Wolfcamp B at approx. 13,050' TVD</p> <p>Well Orientation: North to South</p> <p>Completion location expected to be standard</p>
Horizontal Well #1 First and Last Take Points	432H: FTP (~ 2541' FSL and 2310' FWL of Section 17-T26S-R35E); LTP (~100' FSL and 2310' FWL of Section 20-T26S-R35E)
Horizontal Well #2 First and Last Take Points	512H: FTP (~ 2541' FSL and 1850' FWL of Section 17-T26S-R35E); LTP (~100' FSL and 1850' FWL of Section 20-T26S-R35E)
Horizontal Well # 1 Completion Target (Formation, TVD and MD)	432H: Wolfcamp A; TVD (~12,760'); MD (~20,680')
Horizontal Well # 2 Completion Target (Formation, TVD and MD)	512H: Wolfcamp B; TVD (~13,050'); MD (~20,970')
<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>	
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
<b>Forms, Figures and Tables</b>	
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
<b>Additional Information</b>	None
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Sharon T. Shaheen
<b>Signed Name</b> (Attorney or Party Representative):	<i>Sharon T. Shaheen</i>
<b>Date:</b>	6/23/2020

**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. 21209

**APPLICATION**

Titus Oil & Gas Production, LLC (“Titus”) hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) 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. In support of its application, Titus states as follows:

1. Titus is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Titus proposes to drill the following wells in the proposed HSU:
  - Cattlemen Fed Com 432H well, to be horizontally drilled from an approximate surface hole location 2084’ FNL and 2054’ FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 2310’ FWL of Section 20, T26S-R35E.
  - Cattlemen Fed Com 512H well, to be horizontally drilled from an approximate surface hole location 2084’ FNL and 2024’ FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 1850’ FWL of Section 20, T26S-R35E.

3. The completed intervals and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

4. Titus has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

5. Approval of the HSU and the pooling of all mineral interest owners in the Wolfcamp formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit Titus to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Titus should be designated the operator of the HSU.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 2, 2020, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating 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;

B. Pooling all mineral interests in the Wolfcamp formation underlying the HSU;

C. Allowing the drilling of the 1.5 mile Cattlemen Fed Com 432H well and the 1.5-mile Cattlemen Fed Com 512H well in the HSU;

D. Designating Titus as operator of the HSU and the wells to be drilled thereon;

E. Authorizing Titus to recover its costs of drilling, equipping and completing the wells;

F. Approving the 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; and

G. Imposing a 200% penalty for the risk assumed by Titus in drilling and completing the wells against any interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

John F. McIntyre

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

[sshaheen@montand.com](mailto:sshaheen@montand.com)

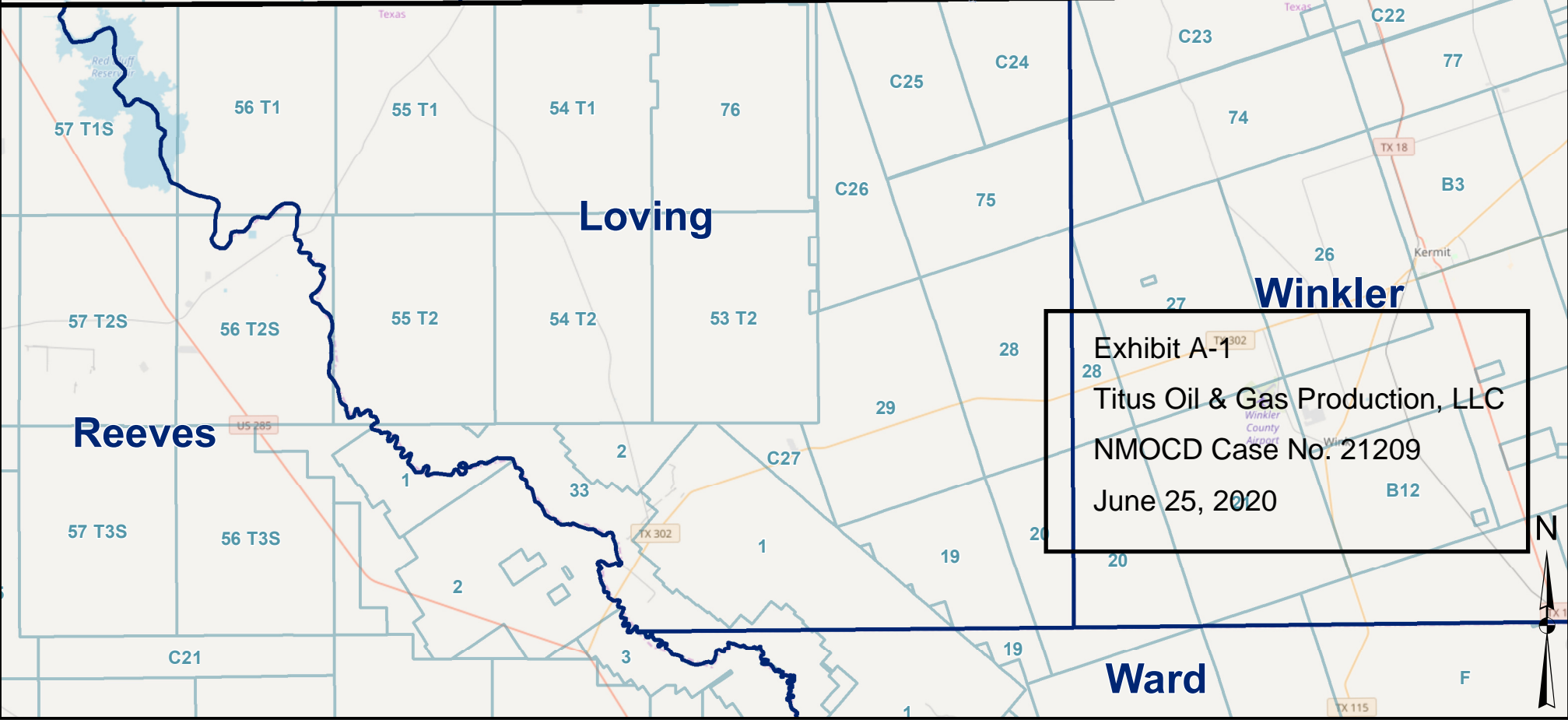
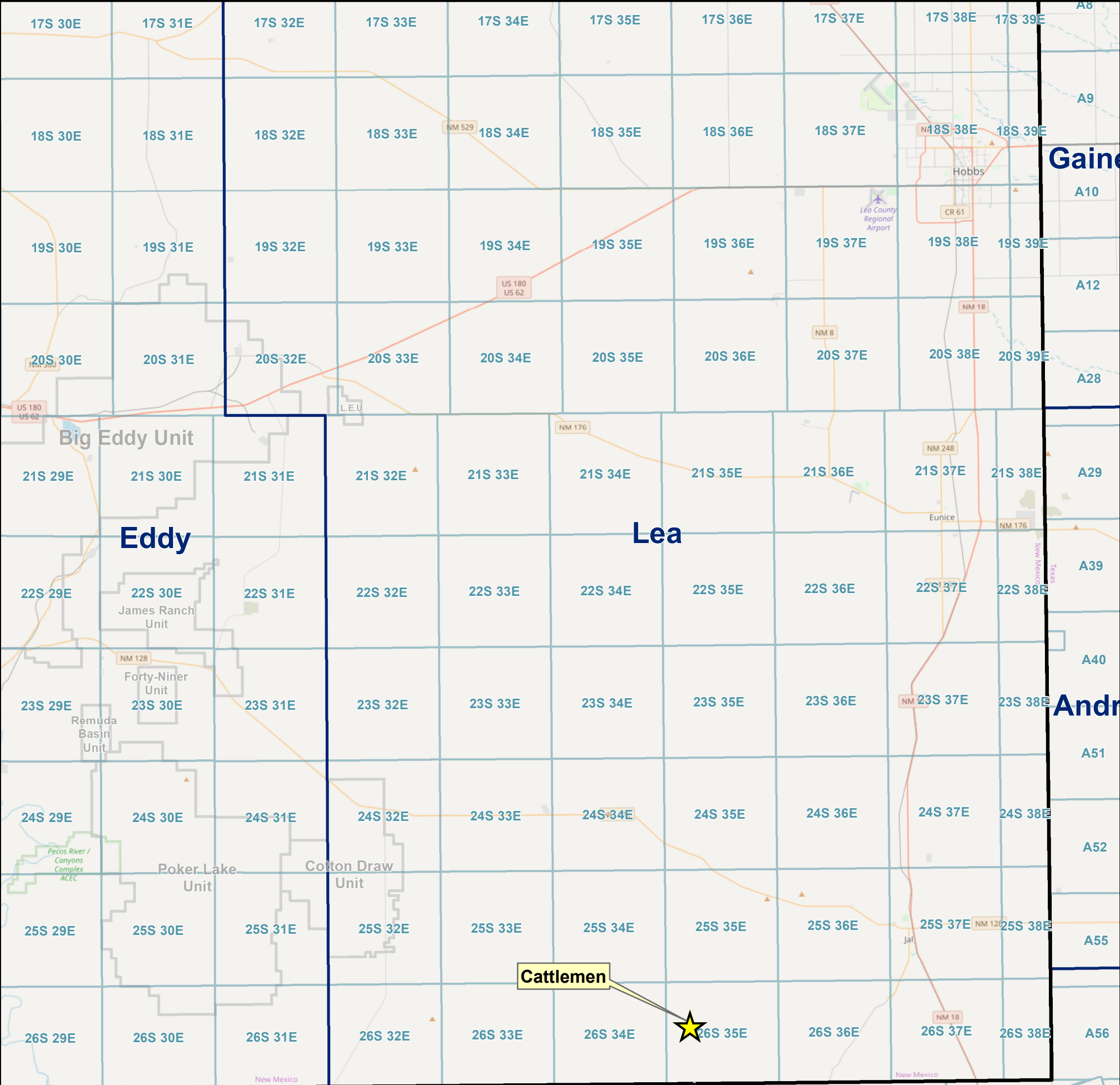
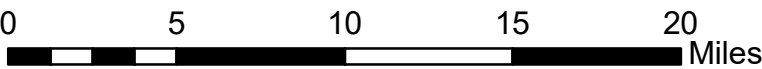
[jmcintyre@montand.com](mailto:jmcintyre@montand.com)

*Attorneys for Titus Oil & Gas Production, LLC*



# Cattlemen - Delaware Basin

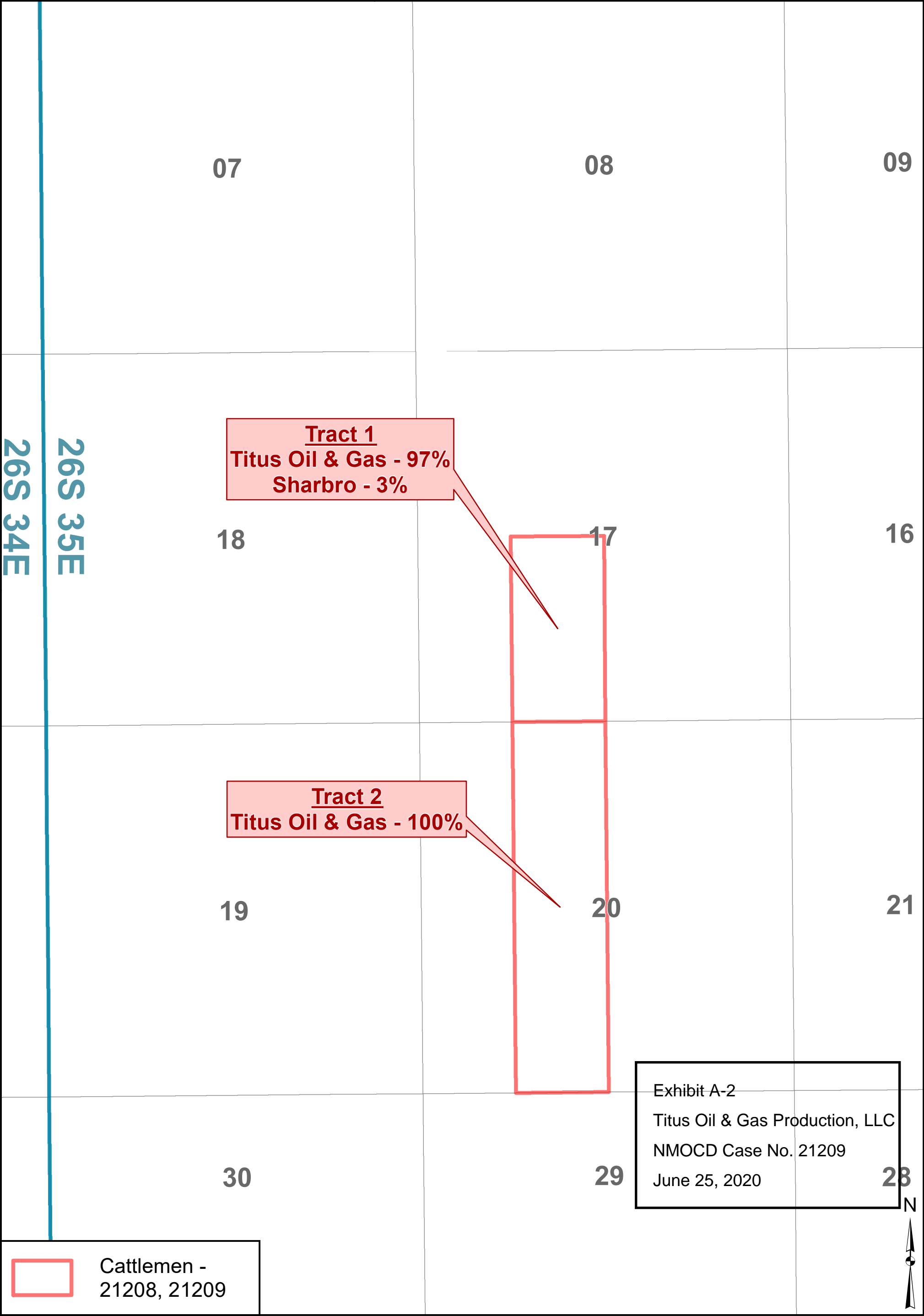
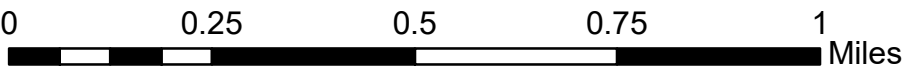
Lea County, New Mexico; T-26-S, R-35-E





TOG - Cattlemen - 21208, 21209

Lea County, New Mexico; T-26-S, R-35-E





**CONTRACT AREA:**

T26S-R35E  
Section 17: E/2 SW/4  
Section 20: E/2 W/2  
Lea County New Mexico, containing 240.00 acres, more or less.

**DEPTH RESTRICTIONS:**

All depths below the base of the Delaware formation.

**INTEREST OF THE PARTIES TO THIS AGREEMENT:**

Interest Owners	Working Interest
Titus Oil & Gas Production, LLC 420 Throckmorton Street, Suite 1150 Fort Worth, TX 76102 wjones@titusoil.com Attn: Land Department	99.00%
Sharbro Energy, LLC PO Box 840 Artesia, NM 88211	1.00%
Total:	100.0000%

**OIL AND GAS LEASES SUBJECT TO THIS AGREEMENT:**

Lessor: United States of America – USA NMNM 104706  
Lessee: Yates Petroleum, et al  
Date: June 1, 2000  
Description: E/2 SW/4 of Section 17, T26S, R35E, NMPM  
Lea County, NM

Lessor: United States of America – USA NMNM 134888  
Lessee: Reagan Smith Energy Solutions, Inc.  
Date: October 1, 2015  
Description: E/2 W/2 of Section 20, T26S, R35E, NMPM  
Lea County, NM

Exhibit A-4  
Titus Oil & Gas Production, LLC  
NMOCD Case No. 21209  
June 25, 2020



Contact	Type	Notes	Contact Info
Sharbro Energy, LLC	Emails and Phone Calls	<p>4/29/2019 - emailed to inquire about Sharbro's interest in selling its interest in 26S-35E</p> <p>5/10/2019 - I spoke to Liz Baker on the phone and she asked that I send her an offer via email. I emailed Liz and included an offer letter for their working interest in the W/2 of Section 17</p> <p>5/22/2019 - I did not hear back from her so I sent a follow-up email to see what their thoughts were on the offer</p> <p>8/6/2019 - Sharbro responded with a higher asking price and want to retain an ORRI</p> <p>8/29/2019 - We responded to their counter-offer by increasing our original offer but said that if they wanted to retain an override the purchase price per acre would be scaled-down accordingly</p> <p>11/4/2019 - Heard back about offer, had questions regarding pooling of interests. I responded to her email answering her questions about EOG's ownership here and also included a new offer letter including their interest in Sections 18 &amp; 30</p> <p>11/12/2019 - had not heard back so I sent a follow-up email to see if they had any questions. She responded saying that they are going to discuss our offer soon. She asked if we could provide any well information.</p> <p>11/14/2019 - I sent her the names of our wells so she could look up the info on the RRC website.</p> <p>11/26/2019 - asked if they had discussed our offer internally</p> <p>12/5/2019 - I sent her another follow-up to see if they had discussed our offer.</p> <p>1/10/2020 - spoke with Liz on the phone and discussed our offer</p> <p>3/20/2020 - Sharbro sent elections for multiple Titus well proposals. Titus to provide JOA for review.</p>	<p>Liz Baker Land Manager ebaker@sharbroenergy.com</p>

Exhibit A-5

Titus Oil & Gas Production, LLC

NMOCD Case No. 21209

June 25, 2020

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code 98234	3 Pool Name WC-025 G-09 S263619C; Wolfcamp
4 Property Code	5 Property Name CATTLEMEN FED COM	6 Well Number 432H
7 OGRID No. 373986	8 Operator Name TITUS OIL & GAS PRODUCTION LLC	9 Elevation 3229'

10 Surface Location

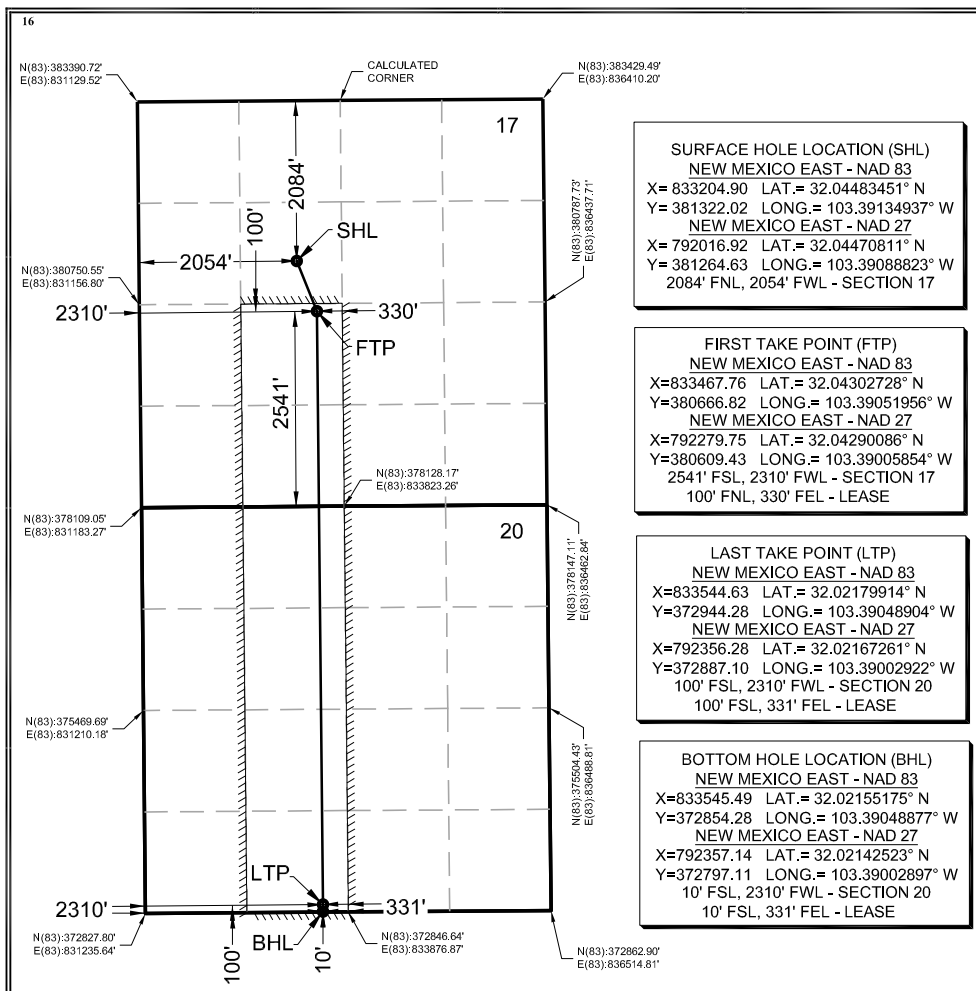
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	17	26-S	35-E		2084'	NORTH	2054'	WEST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	20	26-S	35-E		10'	SOUTH	2310'	WEST	LEA

12 Dedicated Acres 240	13 Joint or Infill Y	14 Consolidation Code	15 Order No.
---------------------------	-------------------------	-----------------------	--------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *[Signature]* Date: 1/21/2020

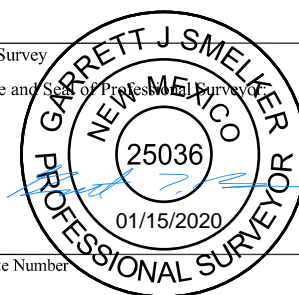
Ryan DeLong - Regulatory Manager  
Printed Name

rdelong@titusoil.com  
E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey  
Signature and Seal of Professional Surveyor



Certificate Number

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code 98234	3 Pool Name WC-025 G-09 S263619C; Wolfcamp
4 Property Code	5 Property Name CATTLEMEN FED COM	6 Well Number 512H
7 OGRID No. 373986	8 Operator Name TITUS OIL & GAS PRODUCTION LLC	9 Elevation 3229'

10 Surface Location

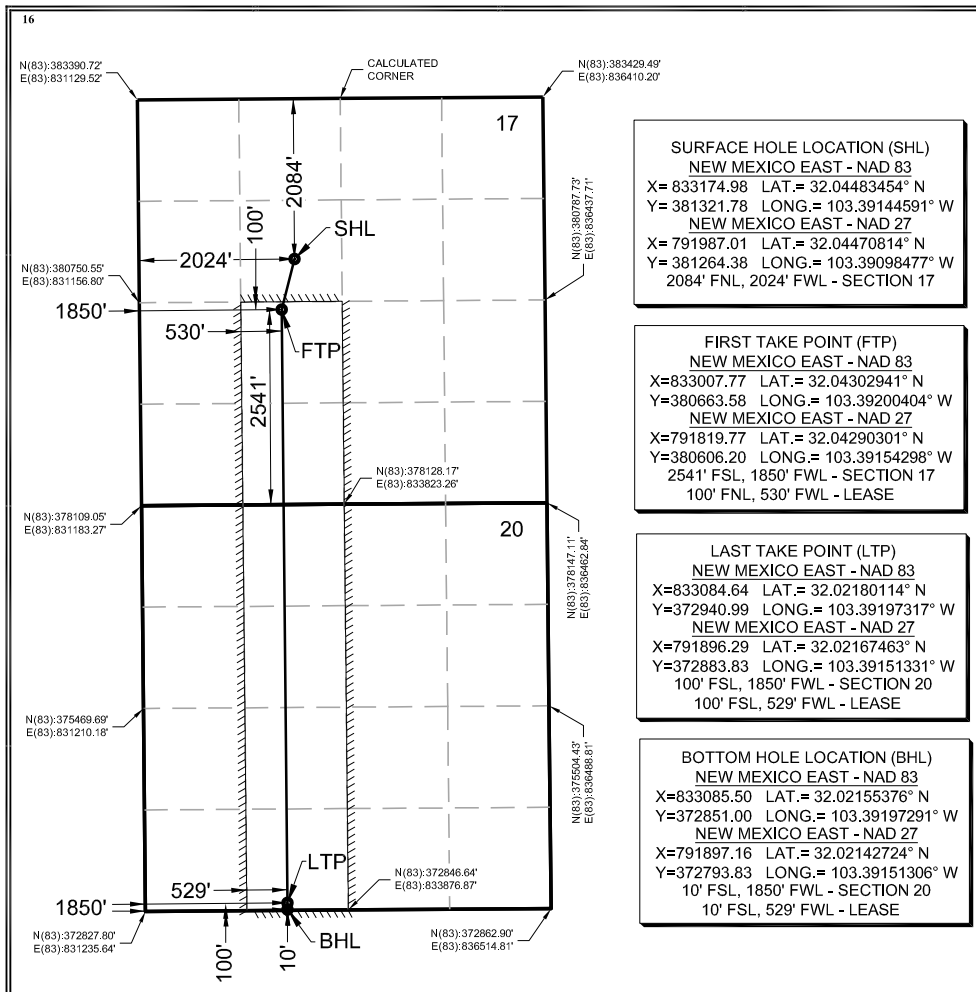
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	17	26-S	35-E		2084'	NORTH	2024'	WEST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	20	26-S	35-E		10'	SOUTH	1850'	WEST	LEA

12 Dedicated Acres 240	13 Joint or Infill Y	14 Consolidation Code	15 Order No.
---------------------------	-------------------------	-----------------------	--------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Ryan DeLong* Date: 1/22/2020

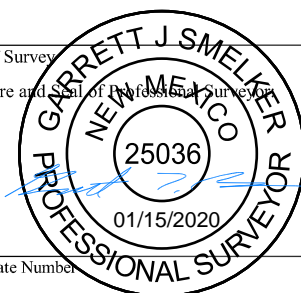
Ryan DeLong - Regulatory Manager  
Printed Name

rdelong@titusoil.com  
E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 01/15/2020  
Signature and Seal of Professional Surveyor



Certificate Number

**Titus Oil & Gas Production, LLC**

420 Throckmorton Street, Suite 1150  
Fort Worth, Texas 76102

January 28, 2020

**Federal Express**

Sharbro Energy, LLC  
327 W. Main Street  
Artesia, NM 88210

RE: Cattlemen Fed Com 512H Well Proposal  
T26S-R35E  
Lea County, New Mexico

Dear Working Interest Owner,

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the Cattlemen Fed Com 512H ("Subject Well") to an approximate True Vertical Depth of 13,050' and an approximate Total Measured Depth of 20,970' in order to test the Wolfcamp formation. The proration unit will include the E2SW4 Section 17 & E2W2 Section 20, T26S-R35E, Lea County, New Mexico. **Please note that Titus hereby rescinds the well proposals dated July 3, 2019 for the El Campeon North 20-17 Fed #323H, #324H, #403H, #404H, #433H, #434H, #514H, #515H and #516H wells which may have had partially overlapping proration units with the Subject Well.**

The estimated cost of drilling, completing, and equipping the Subject Well is \$9,829,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 2084' FNL and 2024' FWL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FSL and 1850' FWL of Section 20, T26S-R35E. The Subject Well's first take point will be approximately 2540' FSL and 1850' FWL of Section 17, T26S-R35E, and the last take point will be approximately 100' FSL and 1850' FWL of Section 20, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: E2SW4 and Section 20: E2W2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 20%, proportionately reduced
- \$7,500 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined below.

Sincerely,



Walter P. Jones  
Vice President - Land  
(817) 852-6875  
wjones@titusoil.com

Exhibit A-7

Titus Oil & Gas Production, LLC  
NMOCD Case No. 21209  
June 25, 2020

Please select one of the following and return:

\_\_\_\_\_ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 512H.

\_\_\_\_\_ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 512H.

\_\_\_\_\_ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

Sharbro Energy, LLC

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

<b>Well Name</b>	Cattlemen Fed Com 512H	<b>MD / TVD</b>	20,970'	13,050'
<b>Legal</b>	E2SW4 Section 17 & E2W2 Section 20, T26S-R35E	<b>Cty / State</b>	Lea	NM
<b>Formation</b>	Wolfcamp B	<b>Field</b>	Jabalina	

<b>INTANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Land/ Legal/ Regulatory/ Insurance	\$ 58,758	\$ -	\$ -	\$ -	\$ 58,758
Location/ Surveys/ Damages	\$ 241,560	\$ 3,850	\$ -	\$ -	\$ 245,410
Daywork Contract	\$ 788,661	\$ 336,910	\$ 24,936	\$ -	\$ 1,150,507
Mob / Trucking / Cranes/ Fork Lift	\$ 65,287	\$ 402,496	\$ 7,422	\$ 25,888	\$ 501,093
Fuel & Power	\$ 148,853	\$ 4,135	\$ -	\$ -	\$ 152,988
Directional Drilling Services	\$ 387,802	\$ -	\$ -	\$ -	\$ 387,802
Bits	\$ 126,656	\$ -	\$ -	\$ -	\$ 126,656
Mud & Chemicals	\$ 261,146	\$ -	\$ -	\$ -	\$ 261,146
Water	\$ 52,229	\$ 401,498	\$ -	\$ -	\$ 453,727
Disposal/ Closed Loop/ HES	\$ 195,860	\$ 21,957	\$ 104,111	\$ -	\$ 321,927
Cement/ Csg equip & services	\$ 346,019	\$ -	\$ -	\$ -	\$ 346,019
Rental - Surface	\$ 163,216	\$ 342,614	\$ 107,177	\$ -	\$ 613,007
Rental - Subsurface	\$ 97,930	\$ 65,300	\$ 13,726	\$ -	\$ 176,956
Company Supervision	\$ 18,019	\$ 30,797	\$ -	\$ -	\$ 48,816
Contract Supervision	\$ 130,038	\$ 111,353	\$ 8,678	\$ -	\$ 250,069
Geologic Evaluation	\$ 36,560	\$ 49,189	\$ -	\$ -	\$ 85,750
Perf & Wireline Services	\$ -	\$ 192,052	\$ 7,422	\$ -	\$ 199,474
Contract Labor	\$ 37,866	\$ 19,533	\$ 32,040	\$ 81,817	\$ 171,256
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 36,500	\$ 179,730	\$ -	\$ 216,230
Services Wellhead	\$ 15,669	\$ 56,888	\$ 5,710	\$ -	\$ 78,267
Stimulation	\$ -	\$ 1,613,121	\$ -	\$ -	\$ 1,613,121
Material Consumables	\$ -	\$ 544,931	\$ -	\$ -	\$ 544,931
Contingency	\$ -	\$ 211,585	\$ 24,548	\$ 5,385	\$ 241,518
<b>Total Intangibles</b>	<b>\$ 3,172,129</b>	<b>\$ 4,444,709</b>	<b>\$ 515,500</b>	<b>\$ 113,090</b>	<b>\$ 8,245,428</b>

<b>TANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Casing	\$ 813,470	\$ -	\$ -	\$ -	\$ 813,470
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 91,401	\$ 115,345	\$ 7,323	\$ -	\$ 214,069
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ 18,547
<b>Total Tangibles</b>	<b>\$ 904,871</b>	<b>\$ 115,345</b>	<b>\$ 157,663</b>	<b>\$ 405,693</b>	<b>\$ 1,583,572</b>
<b>Total DC&amp;E</b>	<b>\$ 4,077,000</b>	<b>\$ 4,560,054</b>	<b>\$ 673,163</b>	<b>\$ 518,783</b>	<b>\$ 9,829,000</b>

Non Operating Partner Approval

<b>Company:</b>	<b>By:</b>	<b>Date:</b>
	<b>Its:</b>	

**Titus Oil & Gas Production, LLC**

420 Throckmorton Street, Suite 1150  
Fort Worth, Texas 76102

January 28, 2020

**Federal Express**

Sharbro Energy, LLC  
327 W. Main Street  
Artesia, NM 88210

RE: Cattlemen Fed Com 432H Well Proposal  
T26S-R35E  
Lea County, New Mexico

Dear Working Interest Owner,

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the Cattlemen Fed Com 432H ("Subject Well") to an approximate True Vertical Depth of 12,760' and an approximate Total Measured Depth of 20,680' in order to test the Wolfcamp formation. The proration unit will include the E2SW4 Section 17 & E2W2 Section 20, T26S-R35E, Lea County, New Mexico. **Please note that Titus hereby rescinds the well proposals dated July 3, 2019 for the El Campeon North 20-17 Fed #323H, #324H, #403H, #404H, #433H, #434H, #514H, #515H and #516H wells which may have had partially overlapping proration units with the Subject Well.**

The estimated cost of drilling, completing, and equipping the Subject Well is \$9,644,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 2084' FNL and 2054' FWL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FSL and 2310' FWL of Section 20, T26S-R35E. The Subject Well's first take point will be approximately 2540' FSL and 2310' FWL of Section 17, T26S-R35E, and the last take point will be approximately 100' FSL and 2310' FWL of Section 20, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: E2SW4 and Section 20: E2W2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 20%, proportionately reduced
- \$7,500 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined below.

Sincerely,



Walter P. Jones  
Vice President - Land  
(817) 852-6875  
wjones@titusoil.com

Please select one of the following and return:

\_\_\_\_\_ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 432H.

\_\_\_\_\_ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 432H.

\_\_\_\_\_ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

Sharbro Energy, LLC

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

<b>Well Name</b>	Cattlemen Fed Com 432H	<b>MD / TVD</b>	20,680'	12,760'
<b>Legal</b>	E2SW4 Section 17 & E2W2 Section 20, T26S-R35E	<b>Cty / State</b>	Lea	NM
<b>Formation</b>	Wolfcamp A	<b>Field</b>	Jabalina	

<b>INTANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Land/ Legal/ Regulatory/ Insurance	\$ 58,614	\$ -	\$ -	\$ -	\$ 58,614
Location/ Surveys/ Damages	\$ 240,968	\$ 3,702	\$ -	\$ -	\$ 244,670
Daywork Contract	\$ 786,727	\$ 323,981	\$ 24,936	\$ -	\$ 1,135,643
Mob / Trucking / Cranes/ Fork Lift	\$ 65,126	\$ 387,050	\$ 7,422	\$ 25,888	\$ 485,486
Fuel & Power	\$ 148,488	\$ 3,976	\$ -	\$ -	\$ 152,464
Directional Drilling Services	\$ 386,851	\$ -	\$ -	\$ -	\$ 386,851
Bits	\$ 126,345	\$ -	\$ -	\$ -	\$ 126,345
Mud & Chemicals	\$ 260,506	\$ -	\$ -	\$ -	\$ 260,506
Water	\$ 52,101	\$ 386,090	\$ -	\$ -	\$ 438,191
Disposal/ Closed Loop/ HES	\$ 195,379	\$ 21,114	\$ 104,111	\$ -	\$ 320,604
Cement/ Csg equip & services	\$ 345,170	\$ -	\$ -	\$ -	\$ 345,170
Rental - Surface	\$ 162,816	\$ 329,465	\$ 107,177	\$ -	\$ 599,458
Rental - Subsurface	\$ 97,690	\$ 62,794	\$ 13,726	\$ -	\$ 174,210
Company Supervision	\$ 17,975	\$ 29,615	\$ -	\$ -	\$ 47,590
Contract Supervision	\$ 129,719	\$ 107,080	\$ 8,678	\$ -	\$ 245,477
Geologic Evaluation	\$ 36,471	\$ 47,301	\$ -	\$ -	\$ 83,772
Perf & Wireline Services	\$ -	\$ 184,681	\$ 7,422	\$ -	\$ 192,104
Contract Labor	\$ 37,773	\$ 18,783	\$ 32,040	\$ 81,817	\$ 170,414
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 35,099	\$ 179,730	\$ -	\$ 214,829
Services Wellhead	\$ 15,630	\$ 54,705	\$ 5,710	\$ -	\$ 76,045
Stimulation	\$ -	\$ 1,551,215	\$ -	\$ -	\$ 1,551,215
Material Consumables	\$ -	\$ 524,018	\$ -	\$ -	\$ 524,018
Contingency	\$ -	\$ 203,465	\$ 24,548	\$ 5,385	\$ 233,398
<b>Total Intangibles</b>	<b>\$ 3,164,348</b>	<b>\$ 4,274,135</b>	<b>\$ 515,500</b>	<b>\$ 113,090</b>	<b>\$ 8,067,074</b>

<b>TANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Casing	\$ 811,475	\$ -	\$ -	\$ -	\$ 811,475
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 91,177	\$ 110,919	\$ 7,323	\$ -	\$ 209,419
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ 18,547
<b>Total Tangibles</b>	<b>\$ 902,652</b>	<b>\$ 110,919</b>	<b>\$ 157,663</b>	<b>\$ 405,693</b>	<b>\$ 1,576,926</b>
<b>Total DC&amp;E</b>	<b>\$ 4,067,000</b>	<b>\$ 4,385,054</b>	<b>\$ 673,163</b>	<b>\$ 518,783</b>	<b>\$ 9,644,000</b>

Non Operating Partner Approval

<b>Company:</b>	<b>By:</b>	<b>Date:</b>
	<b>Its:</b>	



**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 13, 2020

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

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

**Re:** Case No. **21208** - Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 322H**

Case No. **21209** – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 432H and 512H**

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Titus Oil & Gas Production, LLC ("Titus") has filed five (5) Applications with the New Mexico Oil Conservation Division for orders regarding the proposed wells described below. You are receiving this notice because you may have an interest in one or more of these wells.

**Case No. 21208: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Bone Spring (Oil) 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. Applicant proposes to drill the following well: **Cattlemen Fed Com 322H** well, to be horizontally drilled from an approximate surface hole location 2084' FNL and 1994' FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 1651' FWL of Section 20, T26S-R35E. The completed interval and first and last take points for this well 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

**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

Exhibit A-8

Titus Oil & Gas Production, LLC

NMOCD Case No. 21209

June 25, 2020

a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 13 miles southwest of Jal, New Mexico.

**Case No. 21209: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) 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. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 432H** well, to be horizontally drilled from an approximate surface hole location 2084' FNL and 2054' FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 2310' FWL of Section 20, T26S-R35E, and (2) **Cattlemen Fed Com 512H** well, to be horizontally drilled from an approximate surface hole location 2084' FNL and 2024' FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 1850' FWL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells 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 13 miles southwest of Jal, New Mexico.

The attached Applications will be set for hearing before a Division Examiner **on April 2, 2020, at 8:15 a.m.** at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. 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 and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **March 26, 2020**, in accordance with Division Rule 19.15.4.13 NMAC.

All Interest Owners  
March 13, 2020  
Page 3

Please feel free to contact me if you have any questions about these Applications.

Very truly yours,



Sharon T. Shaheen

STS/lt

Enclosures

cc: Titus Oil & Gas Production, LLC, *via email*

## **EXHIBIT A**

### **INTEREST OWNERS**

#### **Working Interest Parties:**

Sharbro Energy, LLC  
P.O. Box 840  
Artesia, NM 88221-1091

#### **Additional Interested Party:**

Bureau of Land Management  
414 W. Taylor  
Hobbs, NM 88240-1157

State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

# Summary

## Wolfcamp Pooling – Lea County, New Mexico

Titus Oil & Gas Production, LLC (“Titus”) seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) 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. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 432H** well, to be horizontally drilled from an approximate surface hole location 2084’ FNL and 2054’ FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 2310’ FWL of Section 20, T26S-R35E, and (2) **Cattlemen Fed Com 512H** well, to be horizontally drilled from an approximate surface hole location 2084’ FNL and 2024’ FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 1850’ FWL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells will meet statewide setback requirements for horizontal wells. **The Cattlemen Fed Com 432H** will target the Wolfcamp A Shale at an approximate True Vertical Depth of 12,760’. The **Cattlemen Fed Com 512H** will target the Wolfcamp B Shale at an approximate True Vertical Depth of 13,050’.

The well will be drilled from north-to-south for a couple of reasons. Published literature related to the maximum horizontal stress in this part of the Delaware Basin supports a near east-to-west orientation; thus, preferred drilling orientation is orthogonal to this in order to complete a more successful stimulation. Also, this aligns with the remainder of ‘Titus’ planned development in the adjoining tracts, and therefore, doesn’t strand any acreage or reserves.

No depth severances apply.

Exhibit B-1

Titus Oil & Gas Production, LLC

June 25, 2020

See attached exhibits for spacing unit schematic, gunbarrel/lateral trajectory schematic, and horizontal spacing unit cross-section.

# Locator Map

With Cross-Section



Pooling outline

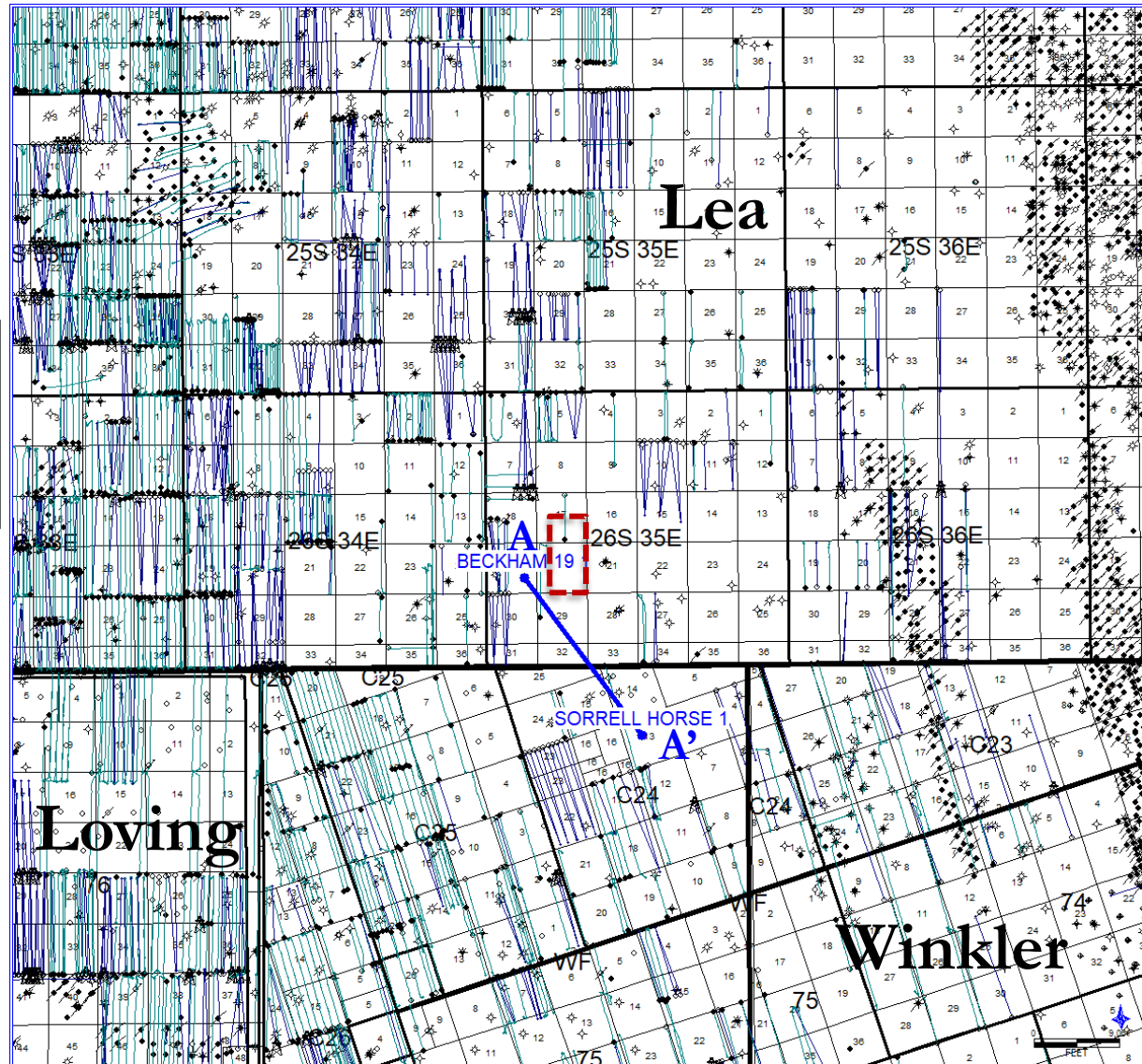


Cross-Section  
line

Exhibit B-2





Titus Oil & Gas Production

June 25, 2020



# Spacing Unit Schematic

With Approximate Well Location

-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed Com 432H Wellbore
-  Cattlemen Fed Com 512H Wellbore

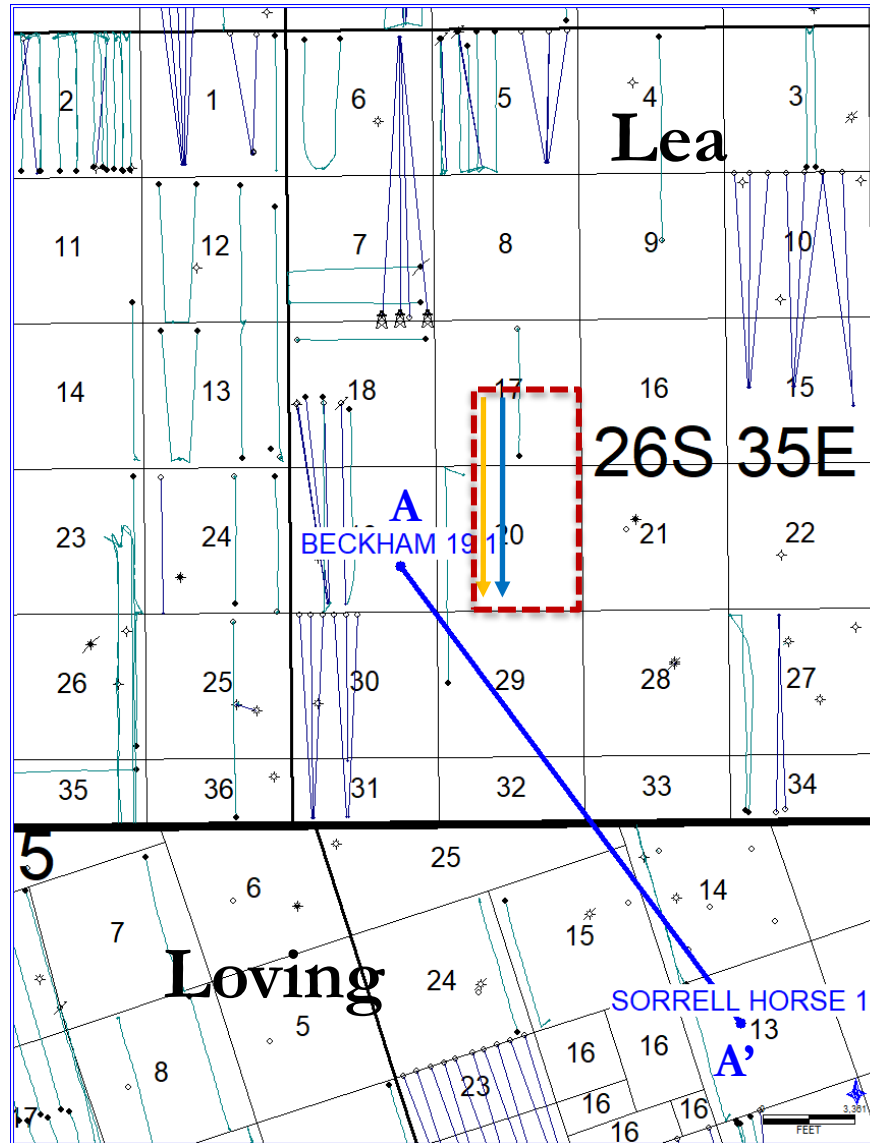


Exhibit B-3

Titus Oil & Gas Production, LLC

June 25, 2020



# Wolfcamp Structure Map

Contour Interval: 50 ft.

Subsea Depth

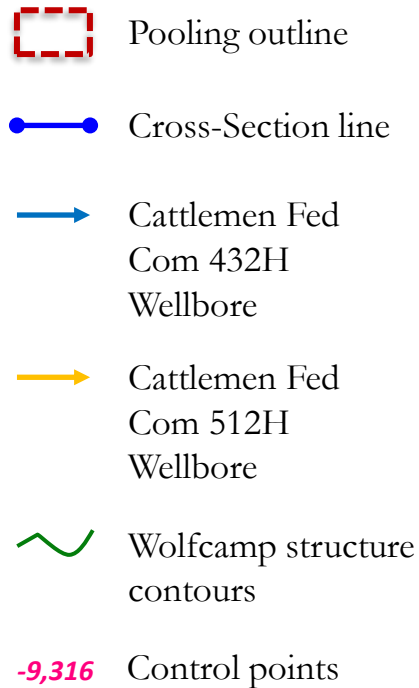
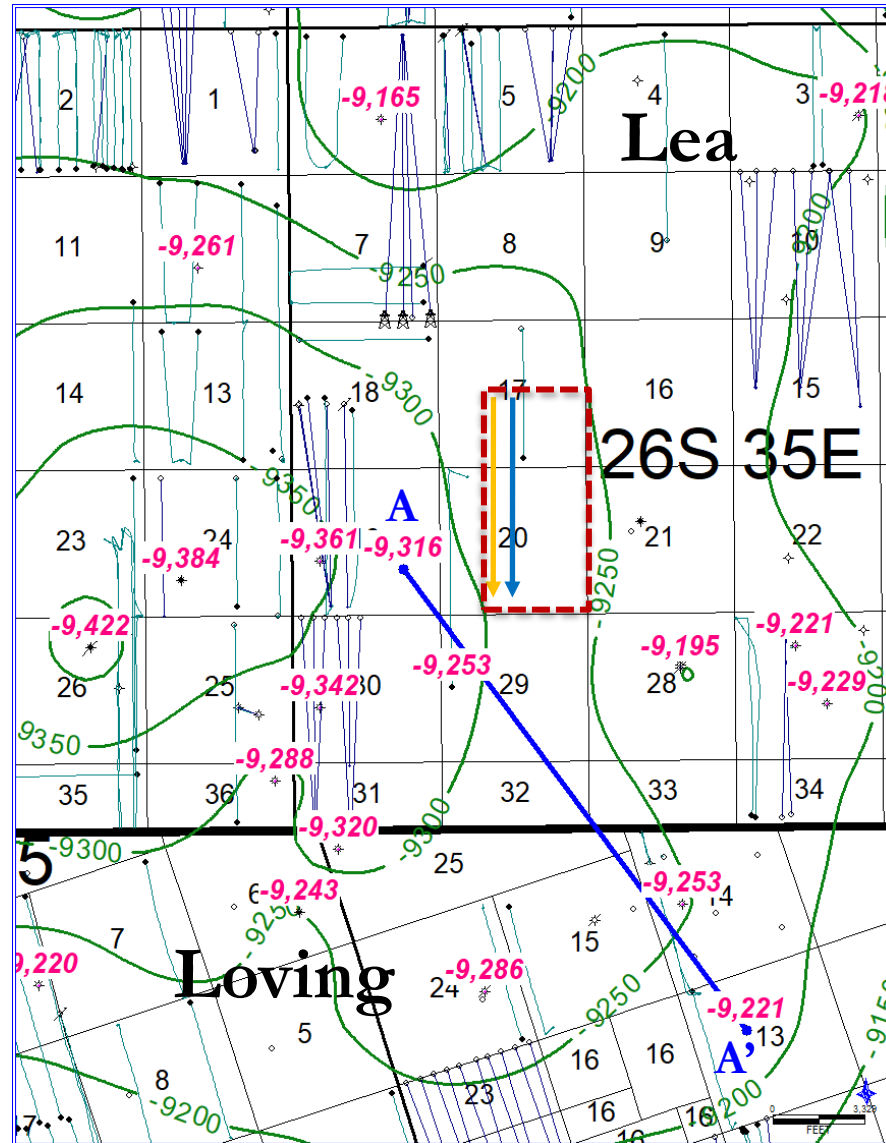







Exhibit B-4  
Titus Oil & Gas Production, LLC  
June 25, 2020



# Wolfcamp A Isopach Map

Contour Interval: 10 ft.

-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed  
Com 432H  
Wellbore
-  Wolfcamp isopach  
contours
-  Control points

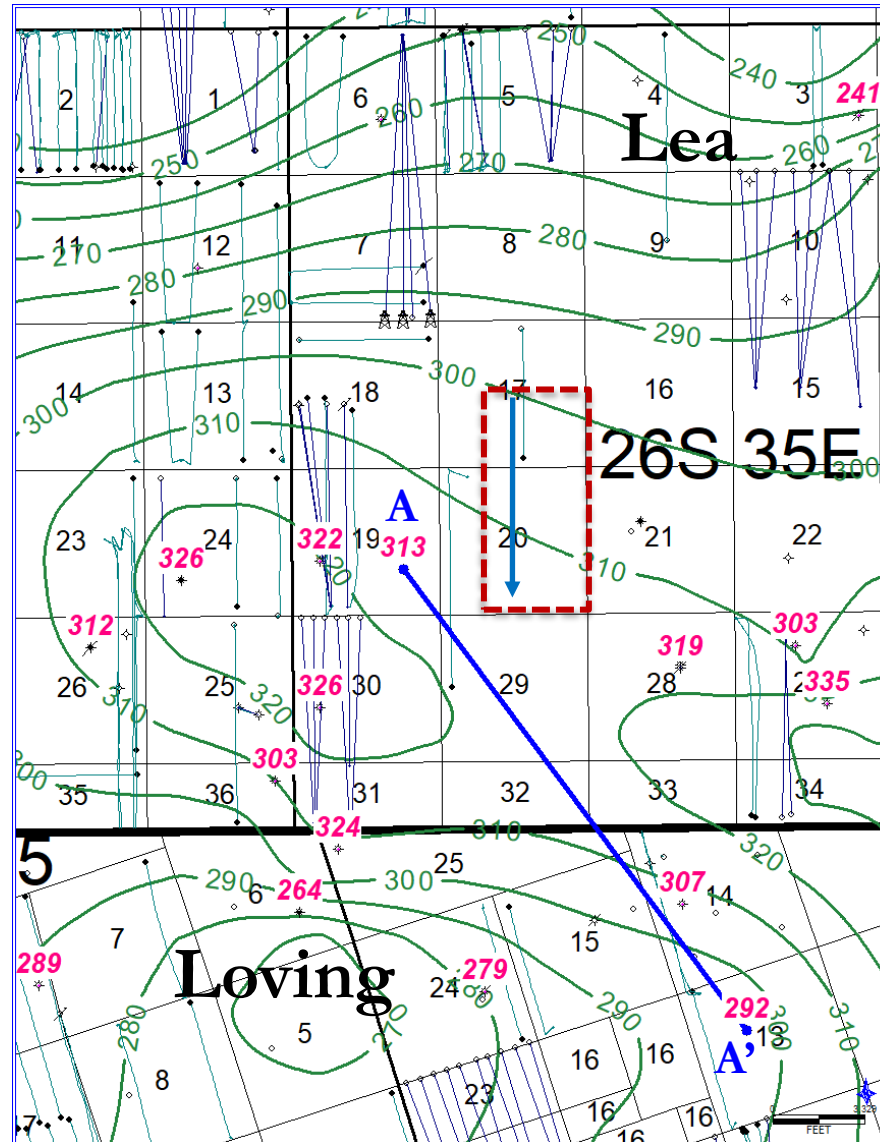


Exhibit B-5

Titus Oil & Gas Production, LLC

June 25, 2020

# Wolfcamp B Isopach Map

Contour Interval: 10 ft.






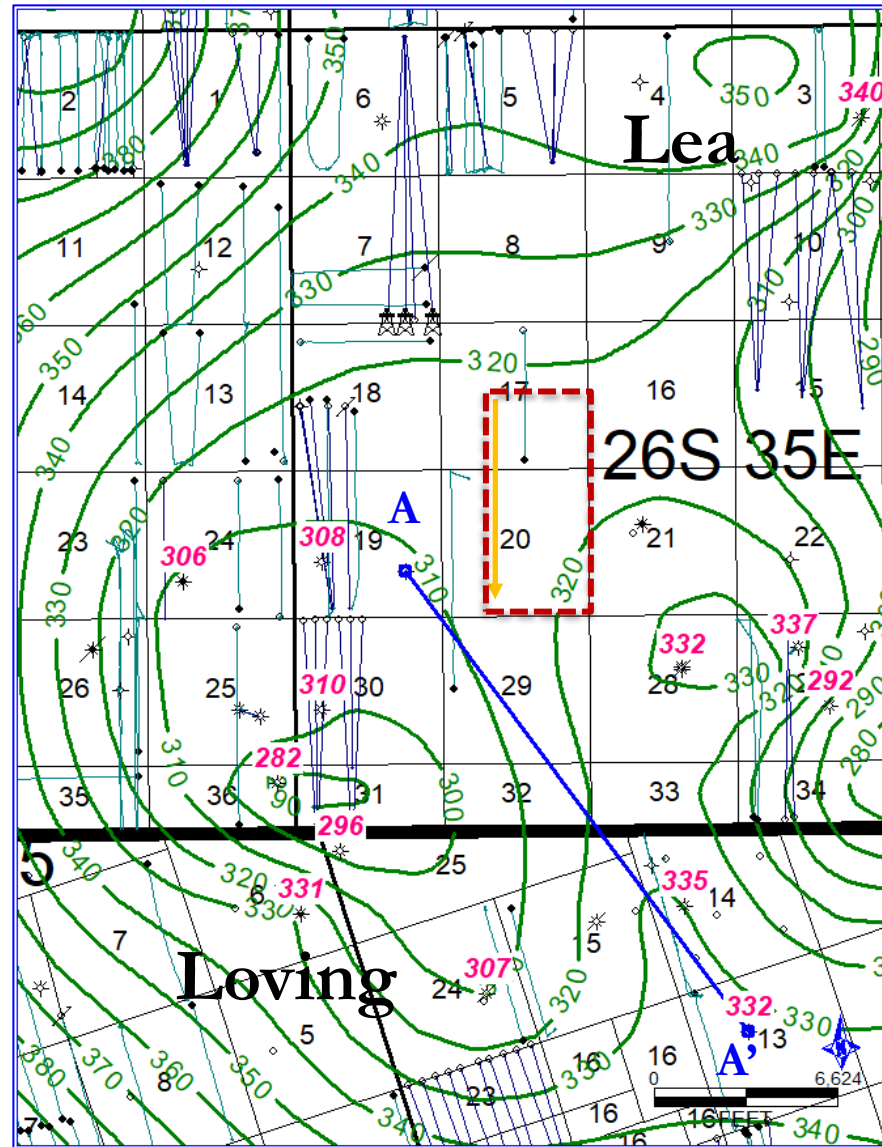
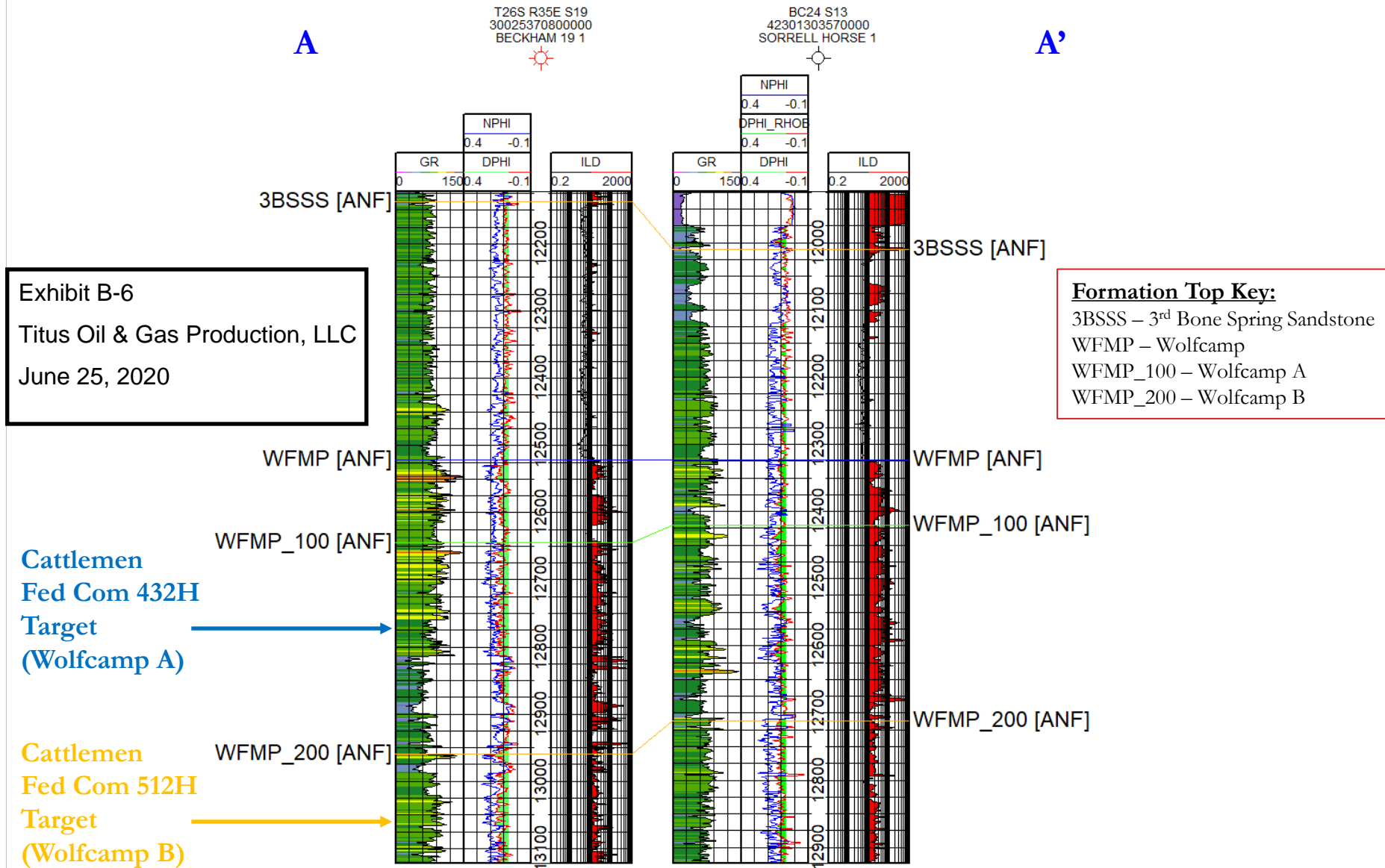
-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed  
Com 512H  
Wellbore
-  Wolfcamp isopach  
contours
-  Control points

Exhibit B-5  
Titus Oil & Gas Production, LLC  
June 25, 2020



# HSU Cross-Section

## Petrophysical Logs Support Wolfcamp A & B Shale Targets / Landing Zones



# Titus' Cattlemen Horizontal Spacing Unit Gunbarrel

Cattlemen Fed Com 432H & 512H – Wolfcamp A & B Targets

Exhibit B-7

Titus Oil & Gas Production, LLC

June 25, 2020

Lonesome Dove  
HSU

Beckham 19 1  
Sec. 19 – 26S – 35E

*LOWER BRUSHY*

*LEONARD A*

*LEONARD B*

*LEONARD C*

*1<sup>ST</sup> BONE SPRING SAND*

*2<sup>ND</sup> BONE SPRING SHALE*

*2<sup>ND</sup> BONE SPRING LIME*

*2<sup>ND</sup> BONE SPRING SAND*

*3<sup>RD</sup> BONE SPRING LIME*

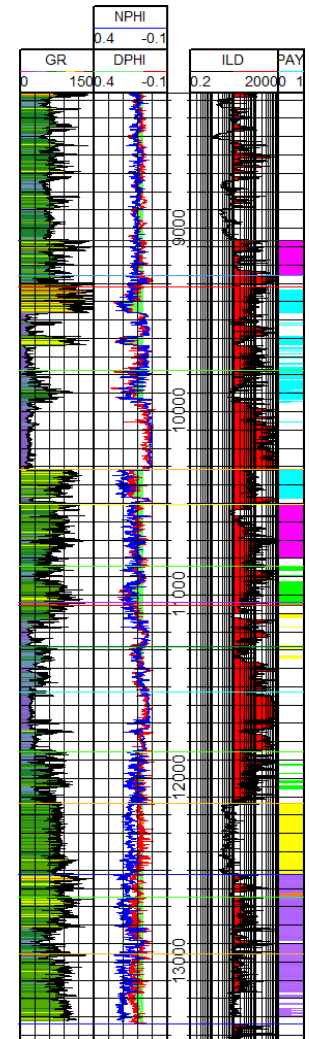
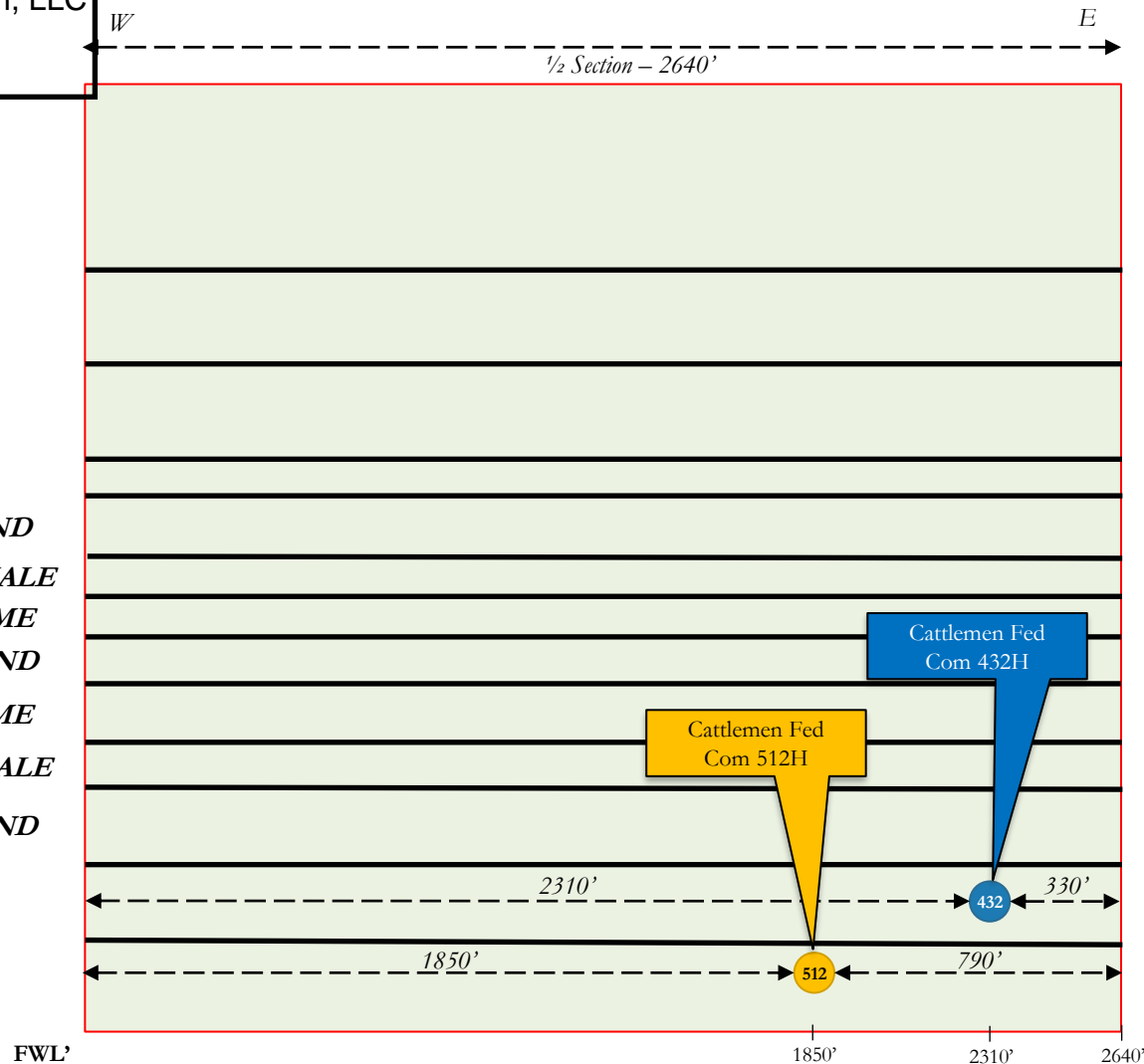
*3<sup>RD</sup> BONE SPRING SHALE*

*3<sup>RD</sup> BONE SPRING SAND*

*WOLFCAMP XY*

*WOLFCAMP A*

*WOLFCAMP B*



Tab 5

# COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 21210</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	W2SE4 of Section 17 and W2E2 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 (60%); Tract 2 (100%); Tract 3 (100%)
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	<p>Cattlemen Fed Com 323H, API No. Pending</p> <p>SHL: 2077' FNL and 1912' FEL, Section 17-T26S-R35E, NMPM BHL: 10' FSL and 1650' FEL, Section 20-T26S-R35E, NMPM</p> <p>Completion Target: 3rd Bone Spring at approx 12,500 Feet TVD Well Orientation: North to South Completion location expected to be standard</p>
Horizontal Well First and Last Take Points	FTP (~ 2541' FSL and 1651' FEL of Section 17-T26S-R35E); LTP (~100' FSL and 1650' FEL 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>	



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
<b>Forms, Figures and Tables</b>	
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
<b>Additional Information</b>	None
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Sharon T. Shaheen
<b>Signed Name</b> (Attorney or Party Representative):	<i>Sharon T. Shaheen</i>
<b>Date:</b>	6/23/2020

**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. 21210**

**APPLICATION**

Titus Oil & Gas Production, LLC (“Titus”) hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests 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 W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. In support of its application, Titus states as follows:

1. Titus is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Titus proposes to drill the following well in the proposed HSU: Cattlemen Fed Com 323H well, to be horizontally drilled from an approximate surface hole location 2077’ FNL and 1912’ FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 1650’ FEL of Section 20, T26S-R35E.
3. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells.
4. Titus has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

5. Approval of the HSU and the pooling of all mineral interest owners in the Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit Titus to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Titus should be designated the operator of the HSU.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 2, 2020, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 240-acre, more or less, horizontal spacing and proration unit comprised of the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation underlying the HSU;

C. Allowing the drilling of the 1.5 mile Cattlemen Fed Com 323H well in the HSU;

D. Designating Titus as operator of the HSU and the wells to be drilled thereon;

E. Authorizing Titus to recover its costs of drilling, equipping and completing the well;

F. Approving the 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; and

G. Imposing a 200% penalty for the risk assumed by Titus in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

John F. McIntyre

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

[sshaheen@montand.com](mailto:sshaheen@montand.com)

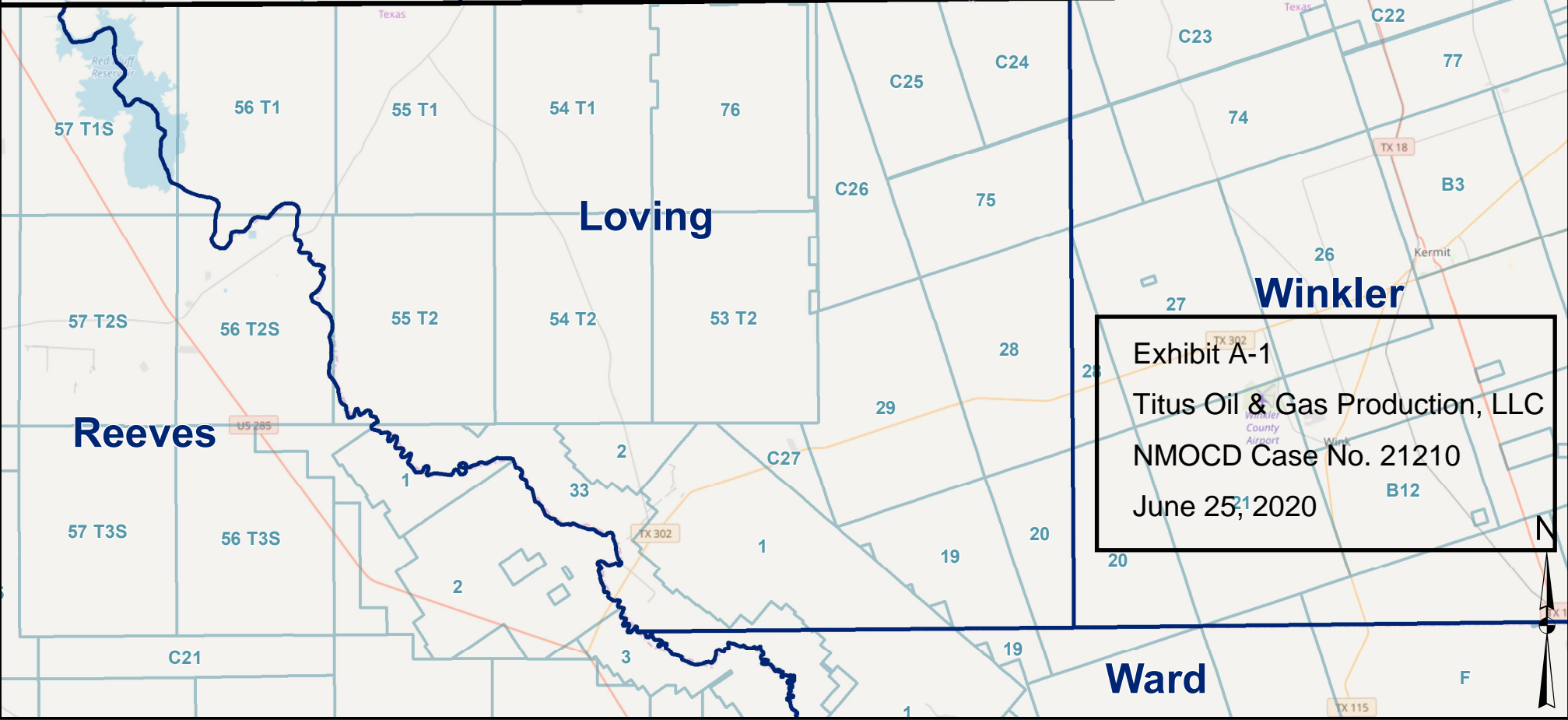
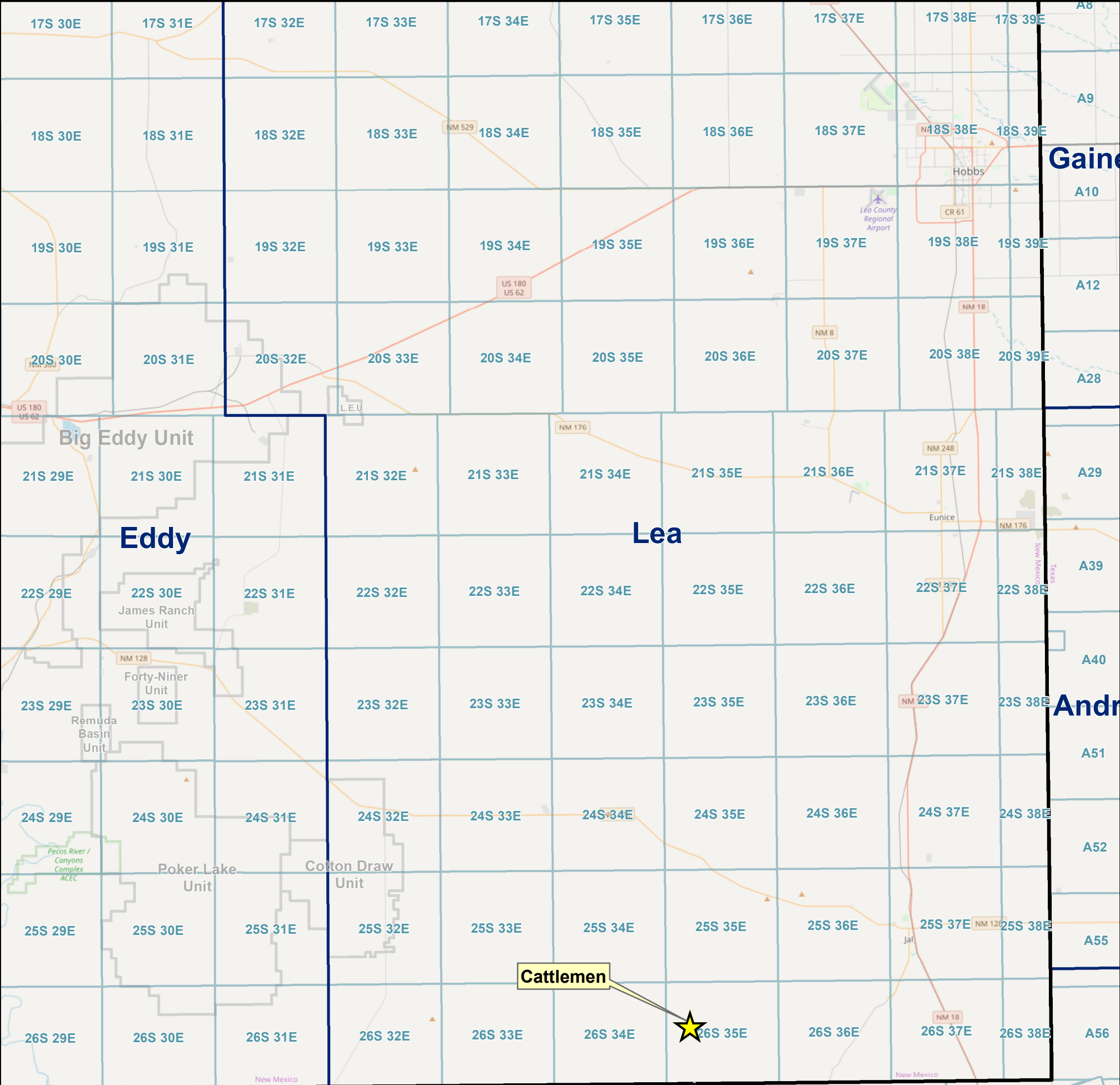
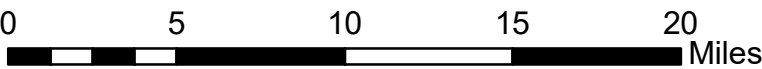
[jmcintyre@montand.com](mailto:jmcintyre@montand.com)

*Attorneys for Titus Oil & Gas Production, LLC*



# Cattlemen - Delaware Basin

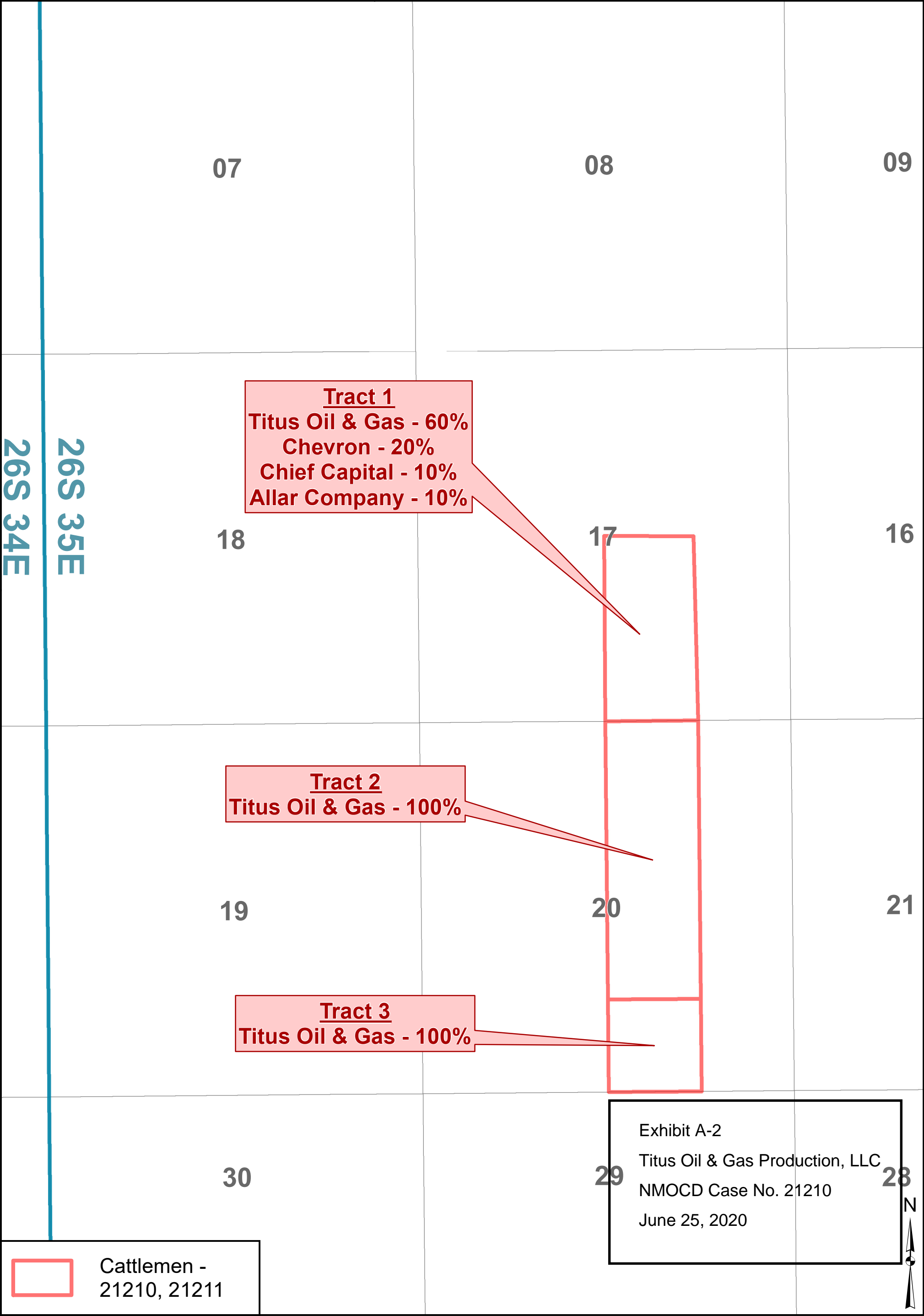
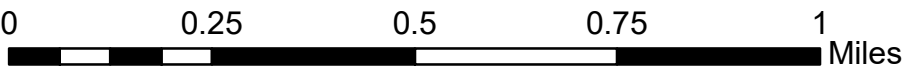
Lea County, New Mexico; T-26-S, R-35-E

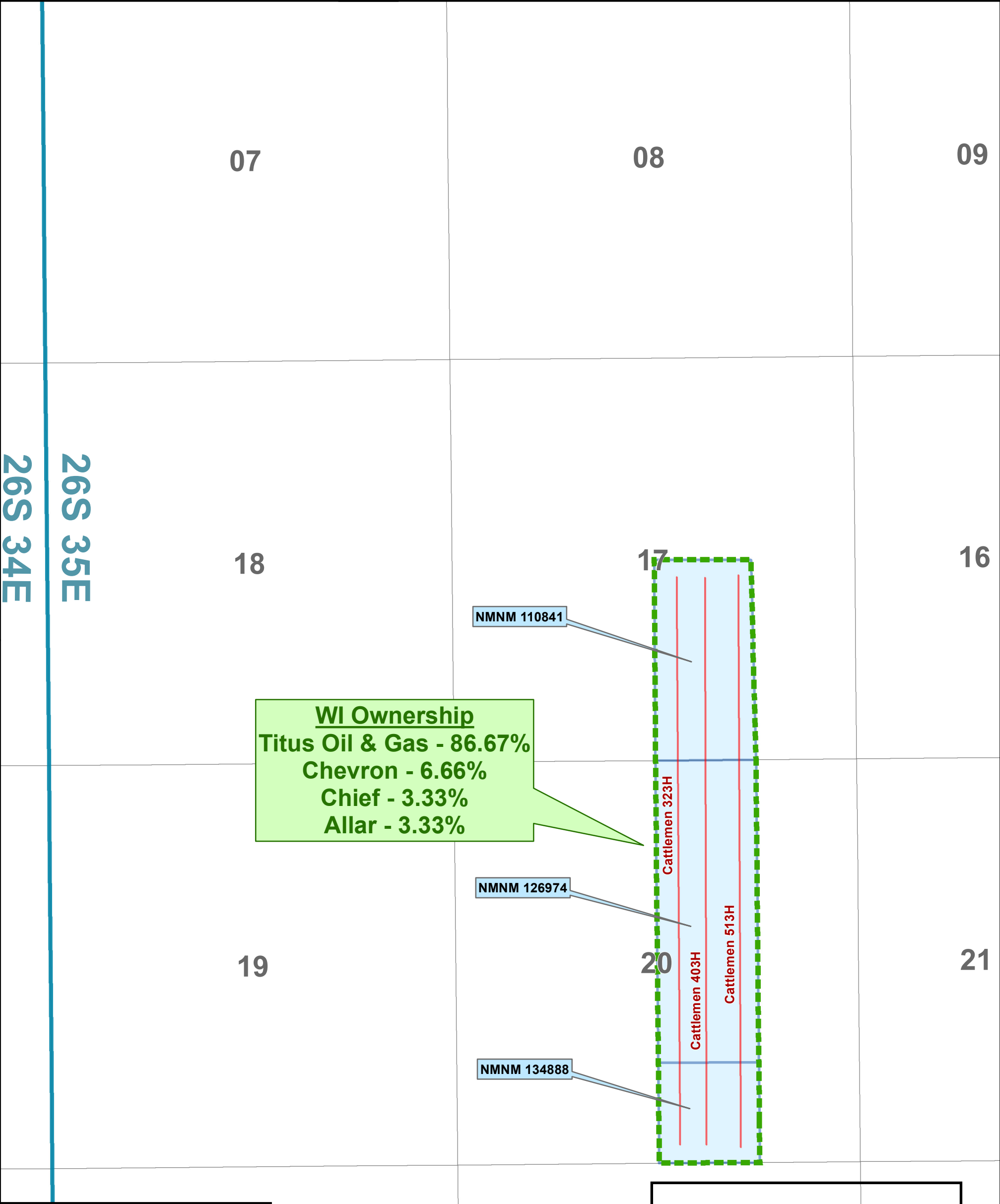




TOG - Cattlemen - 21210, 21211

Lea County, New Mexico; T-26-S, R-35-E





**CONTRACT AREA:**

T26S-R35E  
Section 17: W/2 SE/4  
Section 20: W/2 E/2  
Lea County New Mexico, containing 240.00 acres, more or less.

**DEPTH RESTRICTIONS:**

All depths below the base of the Delaware formation.

**INTEREST OF THE PARTIES TO THIS AGREEMENT:**

Interest Owners	Working Interest
Titus Oil & Gas Production, LLC 420 Throckmorton Street, Suite 1150 Fort Worth, TX 76102 wjones@titusoil.com Attn: Land Department	86.67%
Chevron U.S.A., Inc. 1400 Smith Street Houston, Texas 77002	6.67%
Chief Capital (O&G) II, LLC 8111 Westchester, Suite 900 Dallas, TX 75225	3.33%
Allar Development LLC PO Box 1567 Graham, TX 76450	3.33%
Total:	100.0000%

**OIL AND GAS LEASES SUBJECT TO THIS AGREEMENT:**

Lessor: United States of America – USA NMNM 110841  
Lessee: Echo Production Inc.  
Date: September 1, 2003  
Description: W/2 SE/4 of Section 17, T26S, R35E, NMPM  
Lea County, NM

Lessor: United States of America – USA NMNM 126974  
Lessee: Yates Petroleum, et al  
Date: September 1, 2011  
Description: W/2 E/2 of Section 20, T26S, R35E, NMPM  
Lea County, NM

Exhibit A-4  
Titus Oil & Gas Production, LLC  
NMOCD Case No. 21210  
June 25, 2020



Contact	Type	Notes	Contact Info
Chevron	Emails and Phone Calls	<p>7/3/2019 - sent (now rescinded) well proposals covering a portion of the Lonesome Dove / Cattlemen acreage</p> <p>7/13/2019 - Titus provided a requested JOA covering the (now rescinded) well proposals for review</p> <p>8/19/2019 - Chevron provided comments to the proposed JOA. I advised that we are waiting on JOA comments from other parties</p> <p>10/24/2019 - Titus provided feedback to Chevron's JOA comments</p> <p>10/30/2019 - Chevron advised that their technical team will be reaching out for further discussion</p> <p>October/November 2019 - various discussions between technical teams took place via phone call</p> <p>January 2020 - After acquiring additional interest in the area, Titus rescinded its 7/3/2019 well proposals and proposed new wells (Cattlemen and Lonesome Dove) with different proration units</p> <p>3/9/2020 - Chevron reached out for drilling timing and Titus advised that it would continue to monitor the pricing environment and advise of any changes to its drill schedule. Titus asked if the previously provided JOA comments would be sufficient for these newly proposed wells</p> <p>3/10/2020 - Chevron advised that the previously provided comments are acceptable, with a couple of clarifications necessary</p> <p>4/14/2020 - Chevron reached out about possible trade discussions involving this acreage</p> <p>6/15/2020 - Chevron advised that their technical group would like to have additional conversations on the proposals</p> <p>June 2020 - Chevron and Titus continue to have ongoing conversations about trades and finalizing a JOA</p>	<p>Kristen Hunter</p> <p>Shalyce Holmes</p> <p>Chevron</p> <p>Land Representatives</p>
Chief Capital	Emails and Phone Calls	<p>7/3/2019 - sent (now rescinded) well proposals covering a portion of the Lonesome Dove / Cattlemen acreage</p> <p>August/September 2019 - conversations continued about JOA comments and there was an in-person meeting to discuss these proposals as wells as other interests</p> <p>11/13/2019 - Chief provided comments to the JOA</p> <p>1/3/2020 - Titus advised that it had acquired additional interest in the area and new well proposals would follow</p> <p>January 2020 - Titus rescinded its 7/3/2019 well proposals and proposed new wells (Cattlemen and Lonesome Dove) with different proration units</p> <p>1/21/2020 - Chief advised that its previously provided comments will apply to the JOA for the newly proposed wells</p> <p>1/21/2020 - Titus confirmed that it will be the same form of JOA</p> <p>4/21/2020 - Chief reached out for JOA and timing updates</p> <p>4/21/2020 - Titus updated Chief with the latest timing for development and JOA feedback</p> <p>June 2020 - Though a JOA has not been executed, it appears very likely once all parties have provided</p>	<p>Lacy Robertson</p> <p>Chief Capital</p> <p>Land Representative</p>
Allar Company	Emails and Phone Calls	<p>7/3/2019 - sent (now rescinded) well proposals covering a portion of the Lonesome Dove / Cattlemen acreage</p> <p>8/15/2019 - Titus reached out for feedback on the well proposals</p> <p>8/19/2019 - Titus reached out again for feedback on the well proposals</p> <p>8/20/2019 - Allar advised that their interests are usually force pooled</p> <p>January 2020 - After acquiring additional interest in the area, Titus rescinded its 7/3/2019 well proposals and proposed new wells (Cattlemen and Lonesome Dove) with different proration units</p> <p>2020 - Titus has not heard back from Allar and is proceeding with pooling</p>	<p>Win Graham</p> <p>Jack Graham</p> <p>Allar Company</p>

Exhibit A-5

Titus Oil & Gas Production, LLC

NMOCD Case No. 21210

June 25, 2020

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code 96672	3 Pool Name WC-025 G-08 S263412K; Bone Spring
4 Property Code	5 Property Name CATTLEMEN FED COM	6 Well Number 323H
7 OGRID No. 373986	8 Operator Name TITUS OIL & GAS PRODUCTION LLC	9 Elevation 3227'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	17	26-S	35-E		2077'	NORTH	1912'	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	20	26-S	35-E		10'	SOUTH	1650'	EAST	LEA

12 Dedicated Acres 240	13 Joint or Infill Y	14 Consolidation Code	15 Order No.
---------------------------	-------------------------	-----------------------	--------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

**17**

**20**

**SHL**

**FTP**

**LTP**

**BHL**

**CALCULATED CORNER**

2077'

1912'

100'

330'

1651'

2541'

331'

1650'

10'

100'

Coordinates: N(83):383390.72, E(83):831129.52, N(83):383429.49, E(83):836410.20, N(83):380760.55, E(83):831156.80, N(83):380787.73, E(83):836437.71, N(83):378128.17, E(83):833823.26, N(83):378147.11, E(83):836462.84, N(83):375468.69, E(83):831210.18, N(83):372846.64, E(83):833876.87, N(83):372827.80, E(83):831235.64, N(83):375504.43, E(83):836468.81, N(83):372862.90, E(83):836514.81

**SURFACE HOLE LOCATION (SHL)**  
NEW MEXICO EAST - NAD 83  
X=834519.95 LAT.= 32.04484827° N  
Y=381338.53 LONG.= 103.38710515° W  
NEW MEXICO EAST - NAD 27  
X=793331.96 LAT.= 32.04472182° N  
Y=381281.12 LONG.= 103.38664415° W  
2077' FNL, 1912' FEL - SECTION 17

**FIRST TAKE POINT (FTP)**  
NEW MEXICO EAST - NAD 83  
X=834788.12 LAT.= 32.04302108° N  
Y=380676.11 LONG.= 103.38625849° W  
NEW MEXICO EAST - NAD 27  
X=793600.10 LAT.= 32.04289461° N  
Y=380618.72 LONG.= 103.38579761° W  
2541' FSL, 1651' FEL - SECTION 17  
100' FNL, 330' FEL - LEASE

**LAST TAKE POINT (LTP)**  
NEW MEXICO EAST - NAD 83  
X=834863.84 LAT.= 32.02179066° N  
Y=372952.73 LONG.= 103.38623267° W  
NEW MEXICO EAST - NAD 27  
X=793675.49 LAT.= 32.02166408° N  
Y=372895.54 LONG.= 103.38577298° W  
100' FSL, 1650' FEL - SECTION 20  
100' FSL, 331' FEL - LEASE

**BOTTOM HOLE LOCATION (BHL)**  
NEW MEXICO EAST - NAD 83  
X=834864.73 LAT.= 32.02154327° N  
Y=372862.73 LONG.= 103.38623235° W  
NEW MEXICO EAST - NAD 27  
X=793676.37 LAT.= 32.02141669° N  
Y=372805.55 LONG.= 103.38577268° W  
10' FSL, 1650' FEL - SECTION 20  
10' FSL, 331' FEL - LEASE

**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Date: 1/22/2020

Ryan DeLong - Regulatory Manager  
Printed Name  
rdelong@titusoil.com  
E-mail Address

**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 01/15/2020  
Signature and Seal of Professional Surveyor: Certificate Number: 25036

**Titus Oil & Gas Production, LLC**

420 Throckmorton Street, Suite 1150  
Fort Worth, Texas 76102

January 17, 2020

**Federal Express**

The Allar Company  
PO Box 1567  
Graham, TX 76450

RE: Cattlemen Fed Com 323H Well Proposal  
T26S-R35E  
Lea County, New Mexico

Dear Working Interest Owner,

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the Cattlemen Fed Com 323H ("Subject Well") to an approximate True Vertical Depth of 12,500' and an approximate Total Measured Depth of 20,420' in order to test the Bone Spring formation. The proration unit will include the W2SE4 Section 17 & W2E2 Section 20, T26S-R35E, Lea County, New Mexico. **Please note that Titus hereby rescinds the well proposals dated July 3, 2019 for the El Campeon North 20-17 Fed #323H, #324H, #403H, #404H, #433H, #434H, #514H, #515H and #516H wells.**

The estimated cost of drilling, completing, and equipping the Subject Well is \$9,644,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 2077' FNL and 1912' FEL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FSL and 1650' FEL of Section 20, T26S-R35E. The Subject Well's first take point will be approximately 2540' FSL and 1650' FEL of Section 17, T26S-R35E, and the last take point will be approximately 100' FSL and 1650' FEL of Section 20, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: SE4 and Section 20: E2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 20%, proportionately reduced
- \$7,500 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined below.

Sincerely,



Walter P. Jones  
(817) 852-6875  
wjones@titusoil.com

Exhibit A-7

Titus Oil & Gas Production, LLC

NMOCD Case No. 21212

June 25, 2020

Please select one of the following and return:

\_\_\_\_\_ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 323H.

\_\_\_\_\_ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 323H.

\_\_\_\_\_ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

Allar Company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

<b>Well Name</b>	Cattlemen Fed Com 323H	<b>MD / TVD</b>	20,420'	12,500'
<b>Legal</b>	W2SE4 Section 17 & W2E2 Section 20, T26S-R35E	<b>Cty / State</b>	Lea	NM
<b>Formation</b>	3rd Bone Spring	<b>Field</b>	Jabalina	

<b>INTANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Land/ Legal/ Regulatory/ Insurance	\$ 58,614	\$ -	\$ -	\$ -	\$ 58,614
Location/ Surveys/ Damages	\$ 240,968	\$ 3,702	\$ -	\$ -	\$ 244,670
Daywork Contract	\$ 786,727	\$ 323,981	\$ 24,936	\$ -	\$ 1,135,643
Mob / Trucking / Cranes/ Fork Lift	\$ 65,126	\$ 387,050	\$ 7,422	\$ 25,888	\$ 485,486
Fuel & Power	\$ 148,488	\$ 3,976	\$ -	\$ -	\$ 152,464
Directional Drilling Services	\$ 386,851	\$ -	\$ -	\$ -	\$ 386,851
Bits	\$ 126,345	\$ -	\$ -	\$ -	\$ 126,345
Mud & Chemicals	\$ 260,506	\$ -	\$ -	\$ -	\$ 260,506
Water	\$ 52,101	\$ 386,090	\$ -	\$ -	\$ 438,191
Disposal/ Closed Loop/ HES	\$ 195,379	\$ 21,114	\$ 104,111	\$ -	\$ 320,604
Cement/ Csg equip & services	\$ 345,170	\$ -	\$ -	\$ -	\$ 345,170
Rental - Surface	\$ 162,816	\$ 329,465	\$ 107,177	\$ -	\$ 599,458
Rental - Subsurface	\$ 97,690	\$ 62,794	\$ 13,726	\$ -	\$ 174,210
Company Supervision	\$ 17,975	\$ 29,615	\$ -	\$ -	\$ 47,590
Contract Supervision	\$ 129,719	\$ 107,080	\$ 8,678	\$ -	\$ 245,477
Geologic Evaluation	\$ 36,471	\$ 47,301	\$ -	\$ -	\$ 83,772
Perf & Wireline Services	\$ -	\$ 184,681	\$ 7,422	\$ -	\$ 192,104
Contract Labor	\$ 37,773	\$ 18,783	\$ 32,040	\$ 81,817	\$ 170,414
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 35,099	\$ 179,730	\$ -	\$ 214,829
Services Wellhead	\$ 15,630	\$ 54,705	\$ 5,710	\$ -	\$ 76,045
Stimulation	\$ -	\$ 1,551,215	\$ -	\$ -	\$ 1,551,215
Material Consumables	\$ -	\$ 524,018	\$ -	\$ -	\$ 524,018
Contingency	\$ -	\$ 203,465	\$ 24,548	\$ 5,385	\$ 233,398
<b>Total Intangibles</b>	<b>\$ 3,164,348</b>	<b>\$ 4,274,135</b>	<b>\$ 515,500</b>	<b>\$ 113,090</b>	<b>\$ 8,067,074</b>

<b>TANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Casing	\$ 811,475	\$ -	\$ -	\$ -	\$ 811,475
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 91,177	\$ 110,919	\$ 7,323	\$ -	\$ 209,419
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ 18,547
<b>Total Tangibles</b>	<b>\$ 902,652</b>	<b>\$ 110,919</b>	<b>\$ 157,663</b>	<b>\$ 405,693</b>	<b>\$ 1,576,926</b>
<b>Total DC&amp;E</b>	<b>\$ 4,067,000</b>	<b>\$ 4,385,054</b>	<b>\$ 673,163</b>	<b>\$ 518,783</b>	<b>\$ 9,644,000</b>

Non Operating Partner Approval

<b>Company:</b>	<b>By:</b>	<b>Date:</b>
	<b>Its:</b>	

**Titus Oil & Gas Production, LLC**

420 Throckmorton Street, Suite 1150  
Fort Worth, Texas 76102

January 17, 2020

**Federal Express**

The Allar Company  
PO Box 1567  
Graham, TX 76450

RE: Cattlemen Fed Com 514H Well Proposal  
T26S-R35E  
Lea County, New Mexico

Dear Working Interest Owner,

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the Cattlemen Fed Com 514H ("Subject Well") to an approximate True Vertical Depth of 13,050' and an approximate Total Measured Depth of 20,970' in order to test the Wolfcamp formation. The proration unit will include the E2SE4 Section 17 & E2E2 Section 20, T26S-R35E, Lea County, New Mexico. **Please note that Titus hereby rescinds the well proposals dated July 3, 2019 for the El Campeon North 20-17 Fed #323H, #324H, #403H, #404H, #433H, #434H, #514H, #515H and #516H wells.**

The estimated cost of drilling, completing, and equipping the Subject Well is \$9,829,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 1948' FNL and 922' FEL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FSL and 530' FEL of Section 20, T26S-R35E. The Subject Well's first take point will be approximately 2540' FSL and 530' FEL of Section 17, T26S-R35E, and the last take point will be approximately 100' FSL and 530' FEL of Section 20, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: SE4 and Section 20: E2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 20%, proportionately reduced
- \$7,500 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined below.

Sincerely,



Walter P. Jones  
(817) 852-6875  
wjones@titusoil.com

Please select one of the following and return:

\_\_\_\_\_ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 514H.

\_\_\_\_\_ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 514H.

\_\_\_\_\_ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

Allar Company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

<b>Well Name</b>	Cattlemen Fed Com 514H	<b>MD / TVD</b>	20,970'	13,050'
<b>Legal</b>	E2SE4 Section 17 & E2E2 Section 20, T26S-R35E	<b>Cty / State</b>	Lea	NM
<b>Formation</b>	Wolfcamp B	<b>Field</b>	Jabalina	

<b>INTANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Land/ Legal/ Regulatory/ Insurance	\$ 58,758	\$ -	\$ -	\$ -	\$ 58,758
Location/ Surveys/ Damages	\$ 241,560	\$ 3,850	\$ -	\$ -	\$ 245,410
Daywork Contract	\$ 788,661	\$ 336,910	\$ 24,936	\$ -	\$ 1,150,507
Mob / Trucking / Cranes/ Fork Lift	\$ 65,287	\$ 402,496	\$ 7,422	\$ 25,888	\$ 501,093
Fuel & Power	\$ 148,853	\$ 4,135	\$ -	\$ -	\$ 152,988
Directional Drilling Services	\$ 387,802	\$ -	\$ -	\$ -	\$ 387,802
Bits	\$ 126,656	\$ -	\$ -	\$ -	\$ 126,656
Mud & Chemicals	\$ 261,146	\$ -	\$ -	\$ -	\$ 261,146
Water	\$ 52,229	\$ 401,498	\$ -	\$ -	\$ 453,727
Disposal/ Closed Loop/ HES	\$ 195,860	\$ 21,957	\$ 104,111	\$ -	\$ 321,927
Cement/ Csg equip & services	\$ 346,019	\$ -	\$ -	\$ -	\$ 346,019
Rental - Surface	\$ 163,216	\$ 342,614	\$ 107,177	\$ -	\$ 613,007
Rental - Subsurface	\$ 97,930	\$ 65,300	\$ 13,726	\$ -	\$ 176,956
Company Supervision	\$ 18,019	\$ 30,797	\$ -	\$ -	\$ 48,816
Contract Supervision	\$ 130,038	\$ 111,353	\$ 8,678	\$ -	\$ 250,069
Geologic Evaluation	\$ 36,560	\$ 49,189	\$ -	\$ -	\$ 85,750
Perf & Wireline Services	\$ -	\$ 192,052	\$ 7,422	\$ -	\$ 199,474
Contract Labor	\$ 37,866	\$ 19,533	\$ 32,040	\$ 81,817	\$ 171,256
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 36,500	\$ 179,730	\$ -	\$ 216,230
Services Wellhead	\$ 15,669	\$ 56,888	\$ 5,710	\$ -	\$ 78,267
Stimulation	\$ -	\$ 1,613,121	\$ -	\$ -	\$ 1,613,121
Material Consumables	\$ -	\$ 544,931	\$ -	\$ -	\$ 544,931
Contingency	\$ -	\$ 211,585	\$ 24,548	\$ 5,385	\$ 241,518
<b>Total Intangibles</b>	<b>\$ 3,172,129</b>	<b>\$ 4,444,709</b>	<b>\$ 515,500</b>	<b>\$ 113,090</b>	<b>\$ 8,245,428</b>

<b>TANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Casing	\$ 813,470	\$ -	\$ -	\$ -	\$ 813,470
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 91,401	\$ 115,345	\$ 7,323	\$ -	\$ 214,069
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ 18,547
<b>Total Tangibles</b>	<b>\$ 904,871</b>	<b>\$ 115,345</b>	<b>\$ 157,663</b>	<b>\$ 405,693</b>	<b>\$ 1,583,572</b>
<b>Total DC&amp;E</b>	<b>\$ 4,077,000</b>	<b>\$ 4,560,054</b>	<b>\$ 673,163</b>	<b>\$ 518,783</b>	<b>\$ 9,829,000</b>

Non Operating Partner Approval

Company:	By:	Date:
	Its:	



**Titus Oil & Gas Production, LLC**

420 Throckmorton Street, Suite 1150  
Fort Worth, Texas 76102

January 17, 2020

**Federal Express**

The Allar Company  
PO Box 1567  
Graham, TX 76450

RE: Cattlemen Fed Com 434H Well Proposal  
T26S-R35E  
Lea County, New Mexico

Dear Working Interest Owner,

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the Cattlemen Fed Com 434H ("Subject Well") to an approximate True Vertical Depth of 12,760' and an approximate Total Measured Depth of 20,680' in order to test the Wolfcamp formation. The proration unit will include the E2SE4 Section 17 & E2E2 Section 20, T26S-R35E, Lea County, New Mexico. **Please note that Titus hereby rescinds the well proposals dated July 3, 2019 for the El Campeon North 20-17 Fed #323H, #324H, #403H, #404H, #433H, #434H, #514H, #515H and #516H wells.**

The estimated cost of drilling, completing, and equipping the Subject Well is \$9,644,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 1948' FNL and 952' FEL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FSL and 990' FEL of Section 20, T26S-R35E. The Subject Well's first take point will be approximately 2540' FSL and 990' FEL of Section 17, T26S-R35E, and the last take point will be approximately 100' FSL and 990' FEL of Section 20, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: SE4 and Section 20: E2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 20%, proportionately reduced
- \$7,500 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined below.

Sincerely,



Walter P. Jones  
(817) 852-6875  
wjones@titusoil.com

Please select one of the following and return:

\_\_\_\_\_ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 434H.

\_\_\_\_\_ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 434H.

\_\_\_\_\_ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

Allar Company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

<b>Well Name</b>	Cattlemen Fed Com 434H	<b>MD / TVD</b>	20,680'	12,760'
<b>Legal</b>	E2SE4 Section 17 & E2E2 Section 20, T26S-R35E	<b>Cty / State</b>	Lea	NM
<b>Formation</b>	Wolfcamp A	<b>Field</b>	Jabalina	

<b>INTANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Land/ Legal/ Regulatory/ Insurance	\$ 58,614	\$ -	\$ -	\$ -	\$ 58,614
Location/ Surveys/ Damages	\$ 240,968	\$ 3,702	\$ -	\$ -	\$ 244,670
Daywork Contract	\$ 786,727	\$ 323,981	\$ 24,936	\$ -	\$ 1,135,643
Mob / Trucking / Cranes/ Fork Lift	\$ 65,126	\$ 387,050	\$ 7,422	\$ 25,888	\$ 485,486
Fuel & Power	\$ 148,488	\$ 3,976	\$ -	\$ -	\$ 152,464
Directional Drilling Services	\$ 386,851	\$ -	\$ -	\$ -	\$ 386,851
Bits	\$ 126,345	\$ -	\$ -	\$ -	\$ 126,345
Mud & Chemicals	\$ 260,506	\$ -	\$ -	\$ -	\$ 260,506
Water	\$ 52,101	\$ 386,090	\$ -	\$ -	\$ 438,191
Disposal/ Closed Loop/ HES	\$ 195,379	\$ 21,114	\$ 104,111	\$ -	\$ 320,604
Cement/ Csg equip & services	\$ 345,170	\$ -	\$ -	\$ -	\$ 345,170
Rental - Surface	\$ 162,816	\$ 329,465	\$ 107,177	\$ -	\$ 599,458
Rental - Subsurface	\$ 97,690	\$ 62,794	\$ 13,726	\$ -	\$ 174,210
Company Supervision	\$ 17,975	\$ 29,615	\$ -	\$ -	\$ 47,590
Contract Supervision	\$ 129,719	\$ 107,080	\$ 8,678	\$ -	\$ 245,477
Geologic Evaluation	\$ 36,471	\$ 47,301	\$ -	\$ -	\$ 83,772
Perf & Wireline Services	\$ -	\$ 184,681	\$ 7,422	\$ -	\$ 192,104
Contract Labor	\$ 37,773	\$ 18,783	\$ 32,040	\$ 81,817	\$ 170,414
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 35,099	\$ 179,730	\$ -	\$ 214,829
Services Wellhead	\$ 15,630	\$ 54,705	\$ 5,710	\$ -	\$ 76,045
Stimulation	\$ -	\$ 1,551,215	\$ -	\$ -	\$ 1,551,215
Material Consumables	\$ -	\$ 524,018	\$ -	\$ -	\$ 524,018
Contingency	\$ -	\$ 203,465	\$ 24,548	\$ 5,385	\$ 233,398
<b>Total Intangibles</b>	<b>\$ 3,164,348</b>	<b>\$ 4,274,135</b>	<b>\$ 515,500</b>	<b>\$ 113,090</b>	<b>\$ 8,067,074</b>

<b>TANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Casing	\$ 811,475	\$ -	\$ -	\$ -	\$ 811,475
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 91,177	\$ 110,919	\$ 7,323	\$ -	\$ 209,419
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ 18,547
<b>Total Tangibles</b>	<b>\$ 902,652</b>	<b>\$ 110,919</b>	<b>\$ 157,663</b>	<b>\$ 405,693</b>	<b>\$ 1,576,926</b>
<b>Total DC&amp;E</b>	<b>\$ 4,067,000</b>	<b>\$ 4,385,054</b>	<b>\$ 673,163</b>	<b>\$ 518,783</b>	<b>\$ 9,644,000</b>

Non Operating Partner Approval

Company:	By:	Date:
	Its:	



**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 13, 2020

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

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

**Re:** Case No. **21210** – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 323H**

Case No. **21211** – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 403H and 513H**

Case No. **21212** – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 404H, 434H and 514H**

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Titus Oil & Gas Production, LLC ("Titus") has filed five (5) Applications with the New Mexico Oil Conservation Division for orders regarding the proposed wells described below. You are receiving this notice because you may have an interest in one or more of these wells.

**Case No. 21210: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Bone Spring (Oil) 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 W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following well: **Cattlemen Fed Com 323H** well, to be horizontally drilled from an approximate surface hole location 2077' FNL and 1912' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10'

**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289  
Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

Exhibit A-8

Titus Oil & Gas Production, LLC

NMOCD Case Nos. 21210, 21211, 21212

June 25, 2020

FSL and 1650' FEL of Section 20, T26S-R35E. The completed interval and first and last take points for this well 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 well and lands are located approximately 13 miles southwest of Jal, New Mexico.

**Case No. 21211: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 403H** well, to be horizontally drilled from an approximate surface hole location 2077' FNL and 1972' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 2310' FEL of Section 20, T26S-R35E, and (2) **Cattlemen Fed Com 513H** well, to be horizontally drilled from an approximate surface hole location 2077' FNL and 1942' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 1870' FEL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells 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 13 miles southwest of Jal, New Mexico.

**Case No. 21212: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 SE/4 of Section 17 and the E/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 892' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 330' FEL of Section 20, T26S-R35E, (2) **Cattlemen Fed Com 434H** well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 952' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 989' FEL of

All Interest Owners  
March 13, 2020  
Page 3

Section 20, T26S-R35E, and (3) **Cattlemen Fed Com 514H** well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 922' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 530' FEL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells 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 13 miles southwest of Jal, New Mexico.

The attached Applications will be set for hearing before a Division Examiner **on April 2, 2020, at 8:15 a.m.** at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. 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 and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **March 26, 2020**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about these Applications.

Very truly yours,



Sharon T. Shaheen

STS/lt

Enclosures

cc: Titus Oil & Gas Production, LLC, *via email*



**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 13, 2020

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

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

**Re:** Case No. **21210** – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 323H**

Case No. **21211** – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 403H and 513H**

Case No. **21212** – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 404H, 434H and 514H**

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Titus Oil & Gas Production, LLC ("Titus") has filed five (5) Applications with the New Mexico Oil Conservation Division for orders regarding the proposed wells described below. You are receiving this notice because you may have an interest in one or more of these wells.

**Case No. 21210: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Bone Spring (Oil) 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 W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following well: **Cattlemen Fed Com 323H** well, to be horizontally drilled from an approximate surface hole location 2077' FNL and 1912' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10'

**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289  
Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

Exhibit A-8

Titus Oil & Gas Production, LLC

NMOCD Case No. 21210

June 25, 2020

FSL and 1650' FEL of Section 20, T26S-R35E. The completed interval and first and last take points for this well 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 well and lands are located approximately 13 miles southwest of Jal, New Mexico.

**Case No. 21211: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 403H** well, to be horizontally drilled from an approximate surface hole location 2077' FNL and 1972' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 2310' FEL of Section 20, T26S-R35E, and (2) **Cattlemen Fed Com 513H** well, to be horizontally drilled from an approximate surface hole location 2077' FNL and 1942' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 1870' FEL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells 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 13 miles southwest of Jal, New Mexico.

**Case No. 21212: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 SE/4 of Section 17 and the E/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 892' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 330' FEL of Section 20, T26S-R35E, (2) **Cattlemen Fed Com 434H** well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 952' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 989' FEL of



All Interest Owners  
March 13, 2020  
Page 3

Section 20, T26S-R35E, and (3) **Cattlemen Fed Com 514H** well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 922' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 530' FEL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells 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 13 miles southwest of Jal, New Mexico.

The attached Applications will be set for hearing before a Division Examiner **on April 2, 2020, at 8:15 a.m.** at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. 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 and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **March 26, 2020**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about these Applications.

Very truly yours,



Sharon T. Shaheen

STS/lt

Enclosures

cc: Titus Oil & Gas Production, LLC, *via email*

## **EXHIBIT A**

### **INTEREST OWNERS**

#### **Working Interest Parties:**

Allar Company  
P. O. Box 1567  
Graham, TX 76450

Chevron U.S.A., Inc.  
1400 Smith Street  
Houston, TX 77002

Chief Capital (O&G) II LLC  
8111 Westchester, Suite 900  
Dallas, TX 75225

#### **Additional Interested Party:**

Bureau of Land Management  
414 W. Taylor  
Hobbs, NM 88240-1157

State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

Bone Spring Pooling

E2

CASE NO. 21210

# Summary

## Bone Spring Pooling – Lea County, New Mexico

Titus Oil & Gas Production, LLC (“Titus”) seeks an order from the Division pooling all uncommitted interests in the Bone Spring (Oil) 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 W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following well: **Cattlemen Fed Com 323H** well, to be horizontally drilled from an approximate surface hole location 2077’ FNL and 1912’ FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 1650’ FEL of Section 20, T26S-R35E. The completed interval and first and last take points for this well will meet statewide setback requirements for horizontal wells. The well will target the 3<sup>rd</sup> Bone Spring at an approximate True Vertical Depth of 12,500’.

The well will be drilled from north-to-south for a couple of reasons. Published literature related to the maximum horizontal stress in this part of the Delaware Basin supports a near east-to-west orientation; thus, preferred drilling orientation is orthogonal to this in order to complete a more successful stimulation. Also, this aligns with the remainder of Titus’ planned development in the adjoining tracts, and therefore, doesn’t strand any acreage or reserves.

No depth severances apply.

See attached exhibits for spacing unit schematic, gunbarrel/lateral trajectory schematic, and horizontal spacing unit cross-section.

Exhibit B-1

Titus Oil & Gas Production, LLC

June 25, 2020

# Locator Map

### With Cross-Section



## Pooling outline

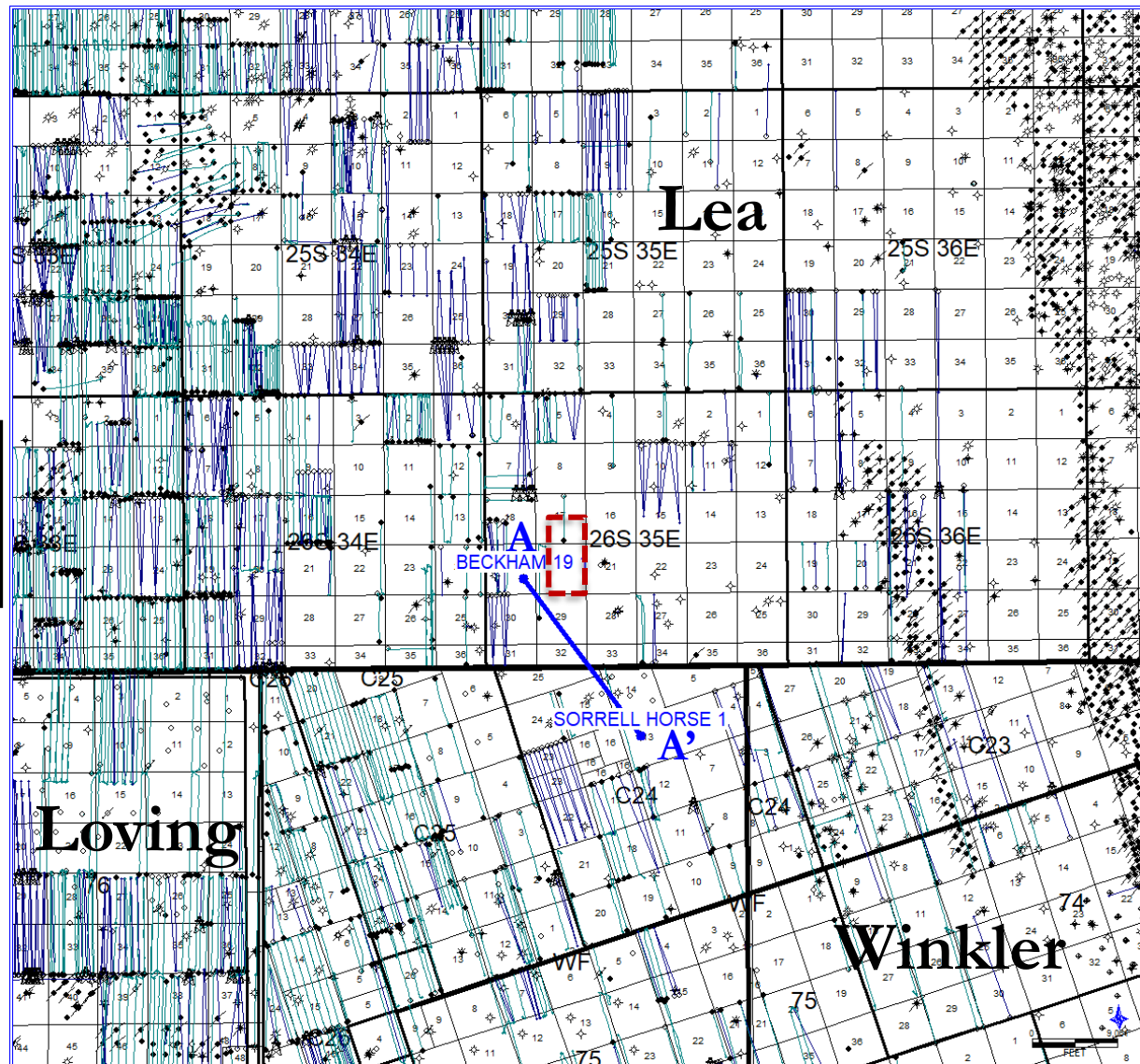


Cross-Section  
line

Exhibit B-2

## Titus Oil & Gas Production

June 25, 2020



# Spacing Unit Schematic

With Approximate Well Location




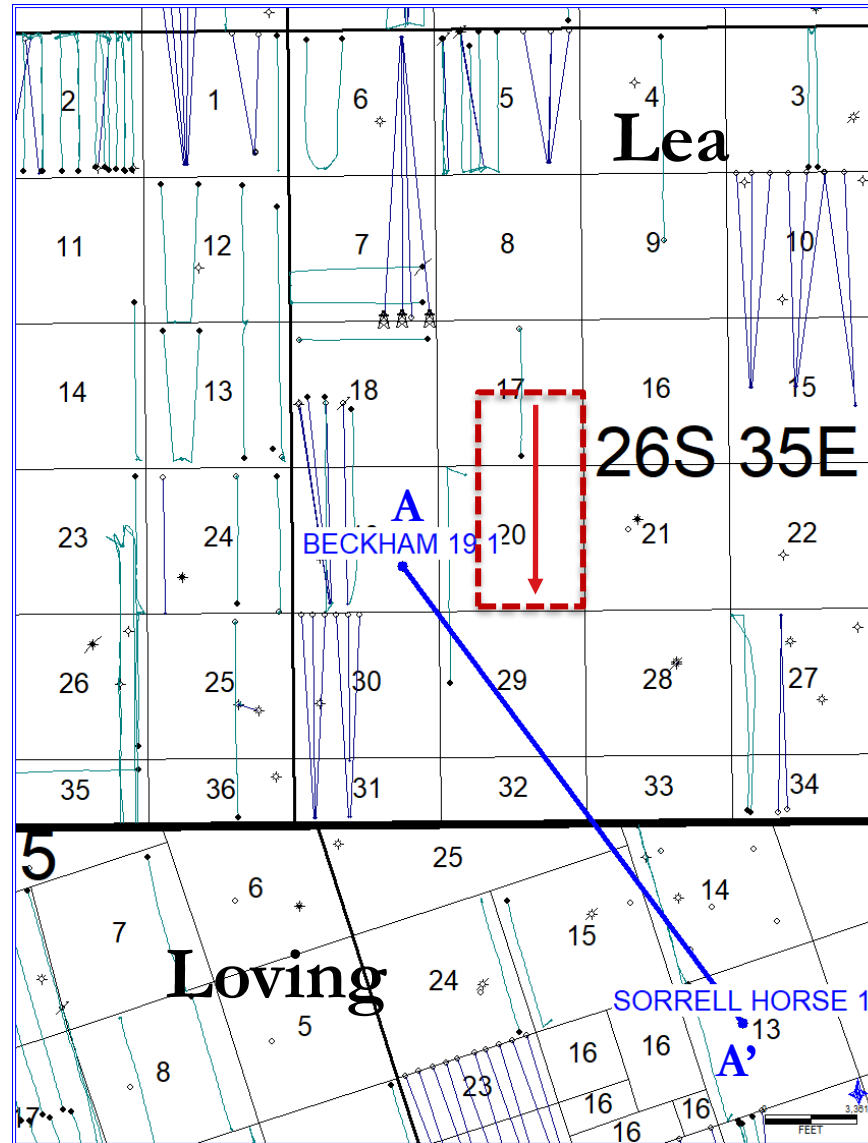
-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed  
Com 323H  
Wellbore

Exhibit B-3

Titus Oil & Gas Production, LLC






June 25, 2020



# 3<sup>rd</sup> Bone Spring Sand Structure Map

Contour Interval: 50 ft.

Subsea Depth

-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed Com 323H Wellbore
-  3<sup>rd</sup> Bone Spring Sand structure contours
-  -8,900 Control points

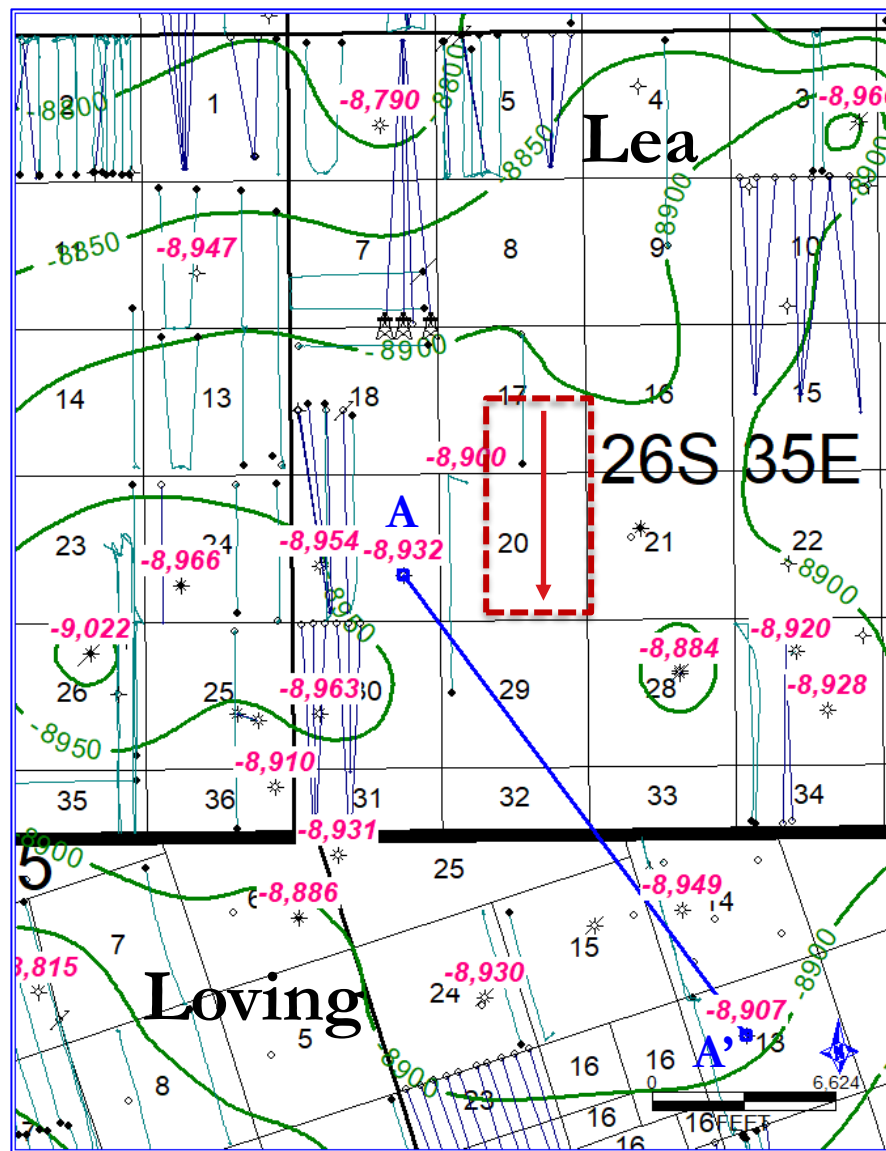


Exhibit B-4  
Titus Oil & Gas Production, LLC  
June 25, 2020

# 3<sup>rd</sup> Bone Spring Sand Isopach Map

Contour Interval: 10 ft.






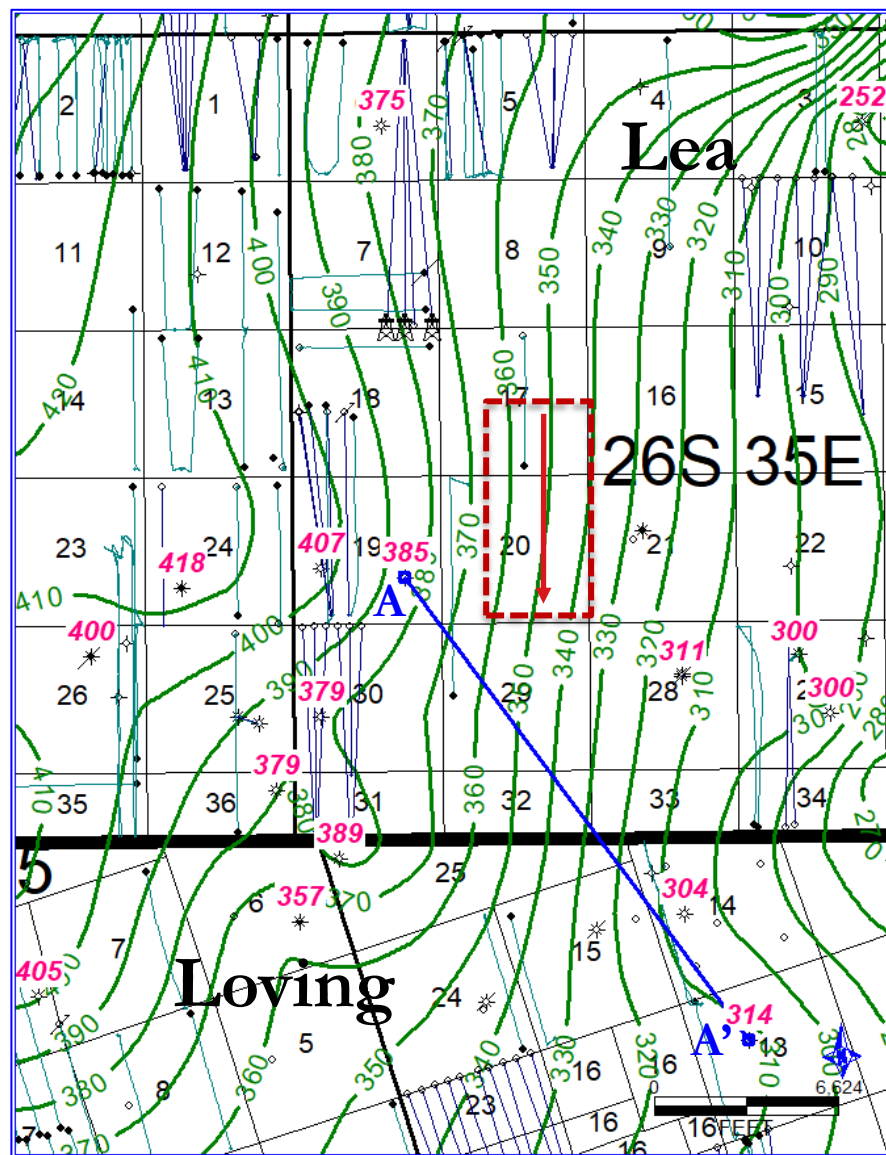
-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed  
Com 323H  
Wellbore
-  3<sup>rd</sup> Bone Spring Sand  
isopach contours
-  300 Control points

Exhibit B-5

Titus Oil & Gas Production, LLC

June 25, 2020





# HSU Cross-Section

## Petrophysical Logs Support 3<sup>rd</sup> Bone Spring Sand Target / Landing Zone

Exhibit B-6

Titus Oil & Gas Production, LLC

June 25, 2020

T26S R35E S19  
30025370800000  
BECKHAM 19 1

BC24 S13  
42301303570000  
SORRELL HORSE 1

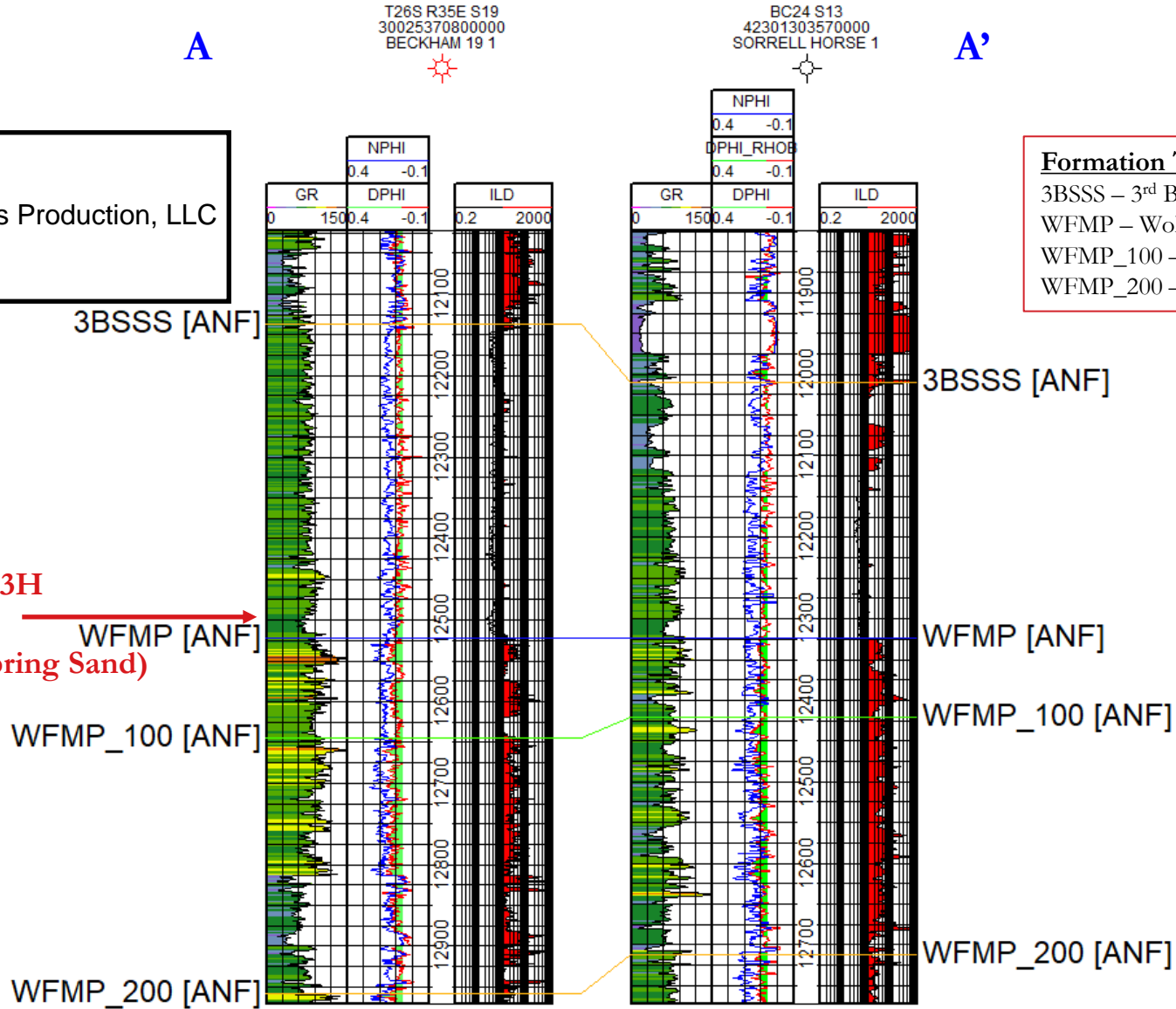
A

A'

### Formation Top Key:

3BSSS – 3<sup>rd</sup> Bone Spring Sandstone  
WFMP – Wolfcamp  
WFMP\_100 – Wolfcamp A  
WFMP\_200 – Wolfcamp B

Cattlemen  
Fed Com 323H  
Target  
(3<sup>rd</sup> Bone Spring Sand)



# Titus' Cattlemen Horizontal Spacing Unit Gunbarrel

Cattlemen Fed Com 323H – 3<sup>rd</sup> Bone Spring Sand target

Exhibit B-7

Titus Oil & Gas Production, LLC

June 25, 2020

Cattlemen  
HSU

*LOWER BRUSHY*

*LEONARD A*

*LEONARD B*

*LEONARD C*

*1<sup>ST</sup> BONE SPRING SAND*

*2<sup>ND</sup> BONE SPRING SHALE*

*2<sup>ND</sup> BONE SPRING LIME*

*2<sup>ND</sup> BONE SPRING SAND*

*3<sup>RD</sup> BONE SPRING LIME*

*3<sup>RD</sup> BONE SPRING SHALE*

*3<sup>RD</sup> BONE SPRING SAND*

*WOLFCAMP XY*

*WOLFCAMP A*

*WOLFCAMP B*

FEL' 2640'

1650'

1/2 Section – 2640'

E

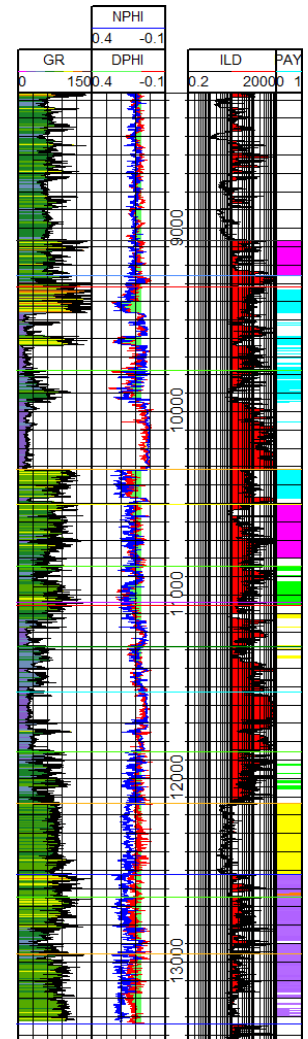
Cattlemen Fed  
Com 323H

323

990'

1650'

Beckham 19 1  
Sec. 19 – 26S – 35E



\*Depth ticks = 100'

Tab 6

# COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 21211</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:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	WC-025 G-09 S263619C; Wolfcamp [98234]
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	W2SE4 of Section 17 and W2E2 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 (60%); Tract 2 (100%); Tract 3 (100%)
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	<p>Cattlemen Fed Com 403H, API No. Pending</p> <p>SHL: 2077' FNL and 1972' FEL, Section 17-T26S-R35E, NMPM BHL: 10' FSL and 2310' FEL, Section 20-T26S-R35E, NMPM</p> <p>Completion Target: Wolfcamp X/Y at approx. 12,600' TVD Well Orientation: North to South Completion location expected to be standard</p>
Well #2	<p>Cattlemen Fed Com 513H, API No. Pending</p> <p>SHL: 2077' FNL and 1942' FEL, Section 17-T26S-R35E, NMPM BHL: 10' FSL and 1870' FEL, Section 20-T26S-R35E, NMPM</p> <p>Completion Target: Wolfcamp B at approx. 13,050' TVD Well Orientation: North to South Completion location expected to be standard</p>
Horizontal Well #1 First and Last Take Points	403H: FTP (~ 2541' FSL and 2310' FEL of Section 17-T26S-R35E); LTP (~100' FSL and 2308' FEL of Section 20-T26S-R35E)
Horizontal Well #2 First and Last Take Points	513H: FTP (~ 2541' FSL and 1870' FEL of Section 17-T26S-R35E); LTP (~100' FSL and 1870' FEL of Section 20-T26S-R35E)
Horizontal Well # 1 Completion Target (Formation, TVD and MD)	403H: Wolfcamp X/Y; TVD (~12,600'); MD (~20,520')
Horizontal Well # 2 Completion Target (Formation, TVD and MD)	513H: Wolfcamp B; TVD (~13,050'); MD (~20,970')
<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 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>	
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
<b>Forms, Figures and Tables</b>	
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
<b>Additional Information</b>	None
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Sharon T. Shaheen
<b>Signed Name</b> (Attorney or Party Representative):	<i>Sharon T. Shaheen</i>
<b>Date:</b>	6/23/2020

**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. 21211

**APPLICATION**

Titus Oil & Gas Production, LLC (“Titus”) hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. In support of its application, Titus states as follows:

1. Titus is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Titus proposes to drill the following wells in the proposed HSU:
  - Cattlemen Fed Com 403H well, to be horizontally drilled from an approximate surface hole location 2077’ FNL and 1972’ FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 2310’ FEL of Section 20, T26S-R35E.
  - Cattlemen Fed Com 513H well, to be horizontally drilled from an approximate surface hole location 2077’ FNL and 1942’ FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 1870’ FEL of Section 20, T26S-R35E.

3. The completed intervals and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

4. Titus has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

5. Approval of the HSU and the pooling of all mineral interest owners in the Wolfcamp formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit Titus to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Titus should be designated the operator of the HSU.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 2, 2020, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 240-acre, more or less, horizontal spacing and proration unit comprised of the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, NMPM, in Lea County, New Mexico;

B. Pooling all mineral interests in the Wolfcamp formation underlying the HSU;

C. Allowing the drilling of the 1.5 mile Cattlemen Fed Com 403H and the 1.5-mile Cattlemen Fed Com 513H well in the HSU;

D. Designating Titus as operator of the HSU and the wells to be drilled thereon;

E. Authorizing Titus to recover its costs of drilling, equipping and completing the wells;



F. Approving the 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; and

G. Imposing a 200% penalty for the risk assumed by Titus in drilling and completing the wells against any interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

John F. McIntyre

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

[sshaheen@montand.com](mailto:sshaheen@montand.com)

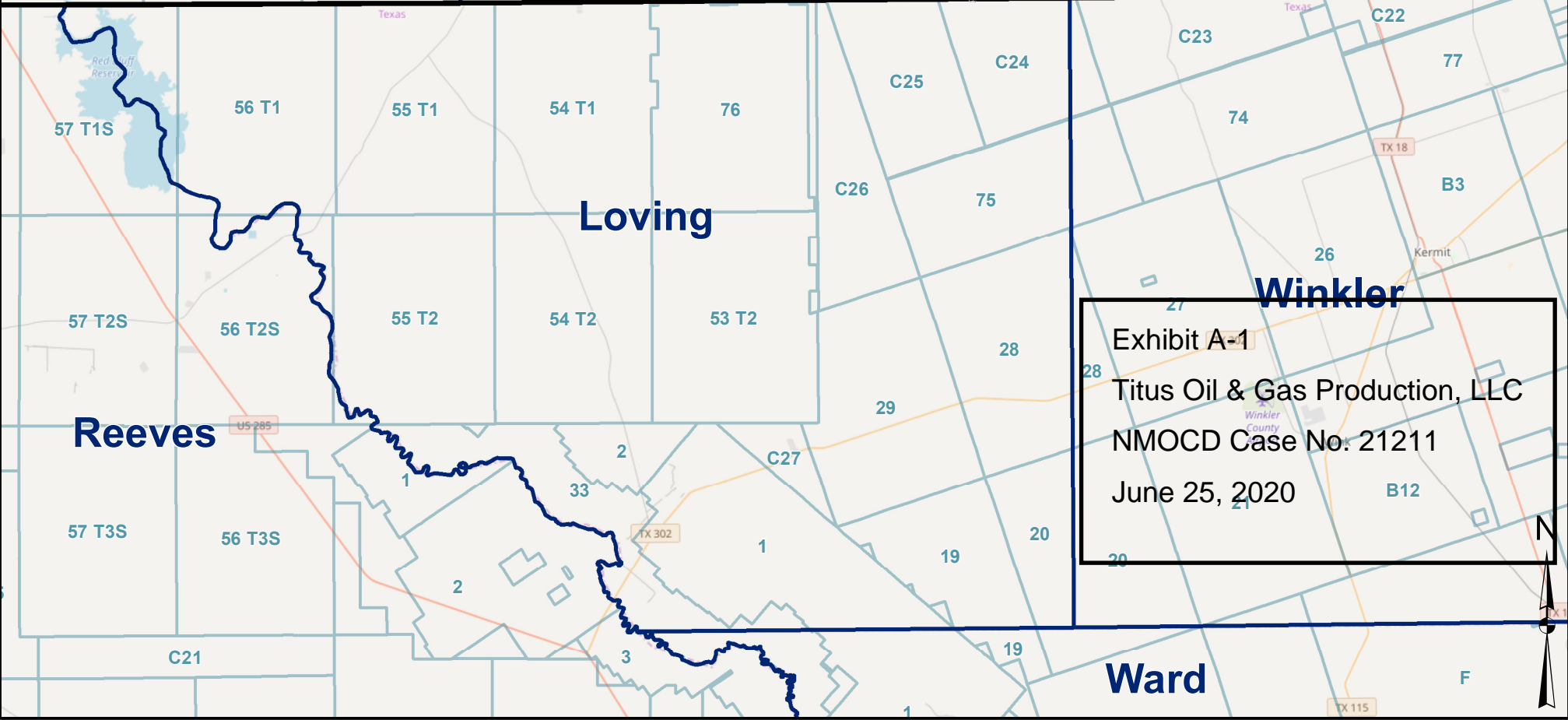
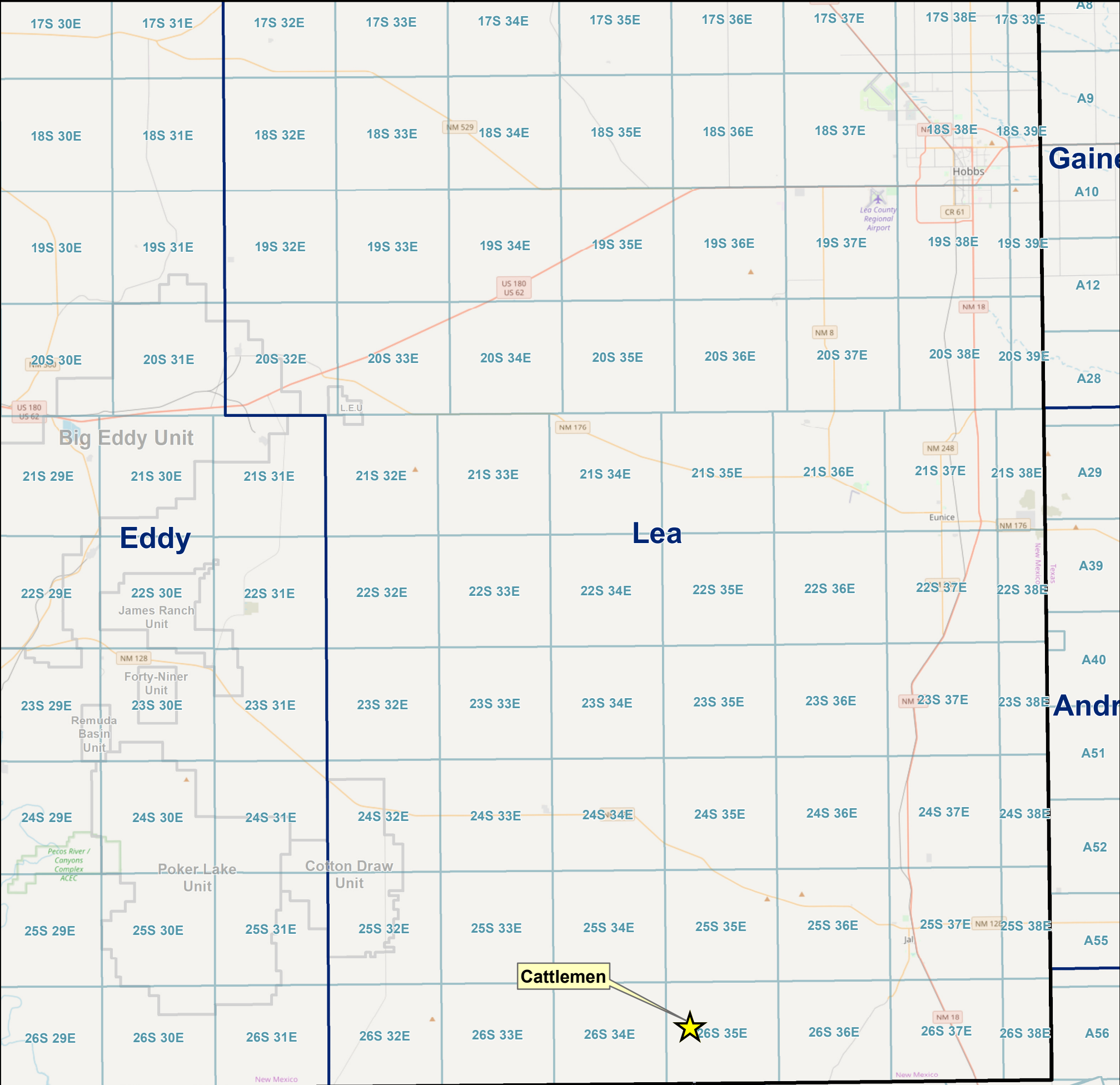
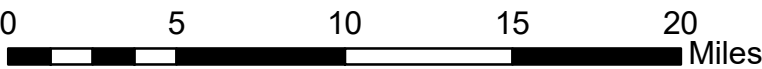
[jmcintyre@montand.com](mailto:jmcintyre@montand.com)

*Attorneys for Titus Oil & Gas Production, LLC*



# Cattlemen - Delaware Basin

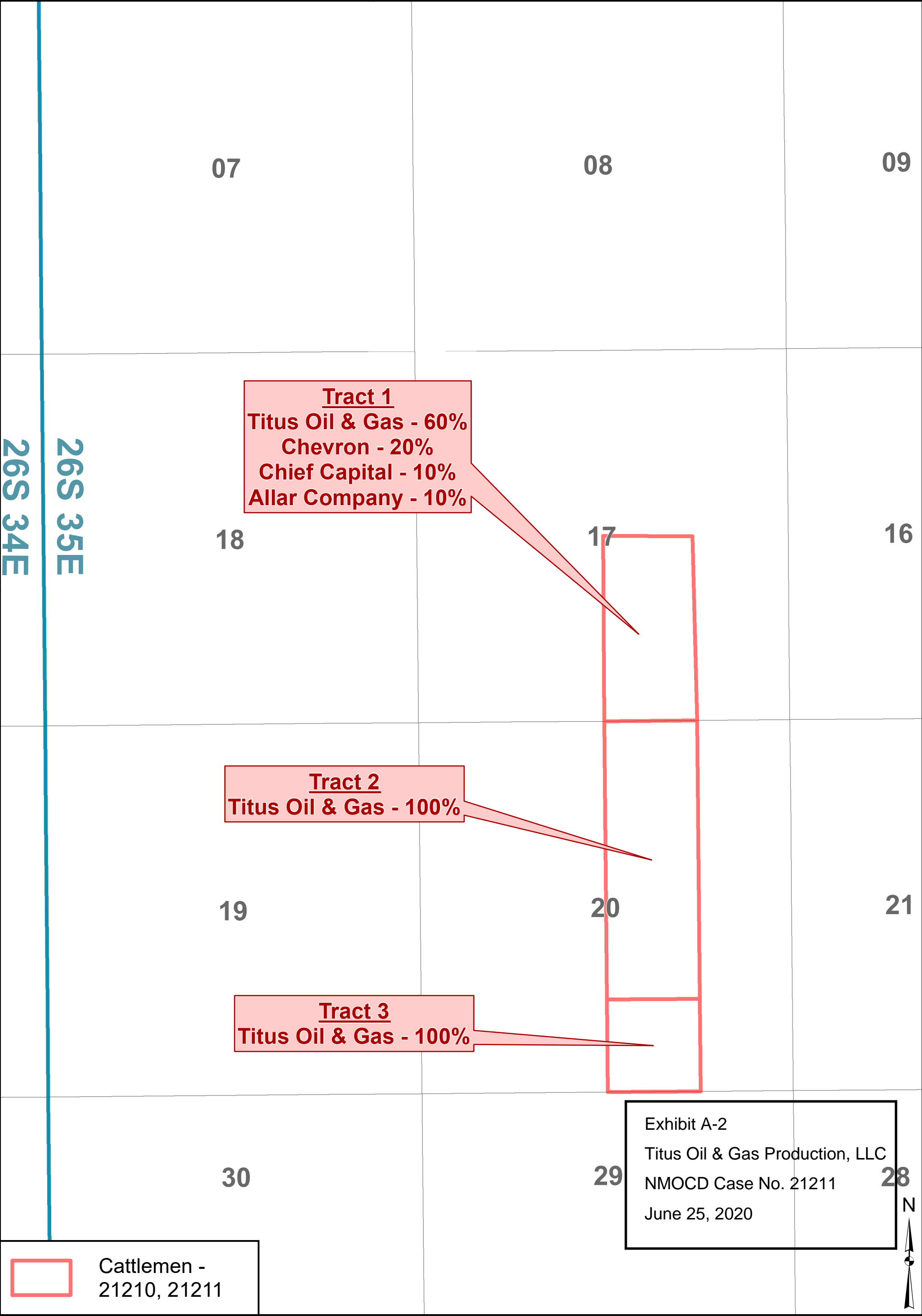
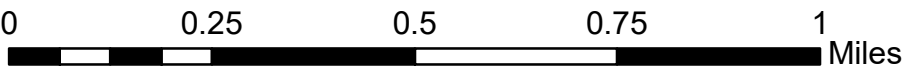
Lea County, New Mexico; T-26-S, R-35-E

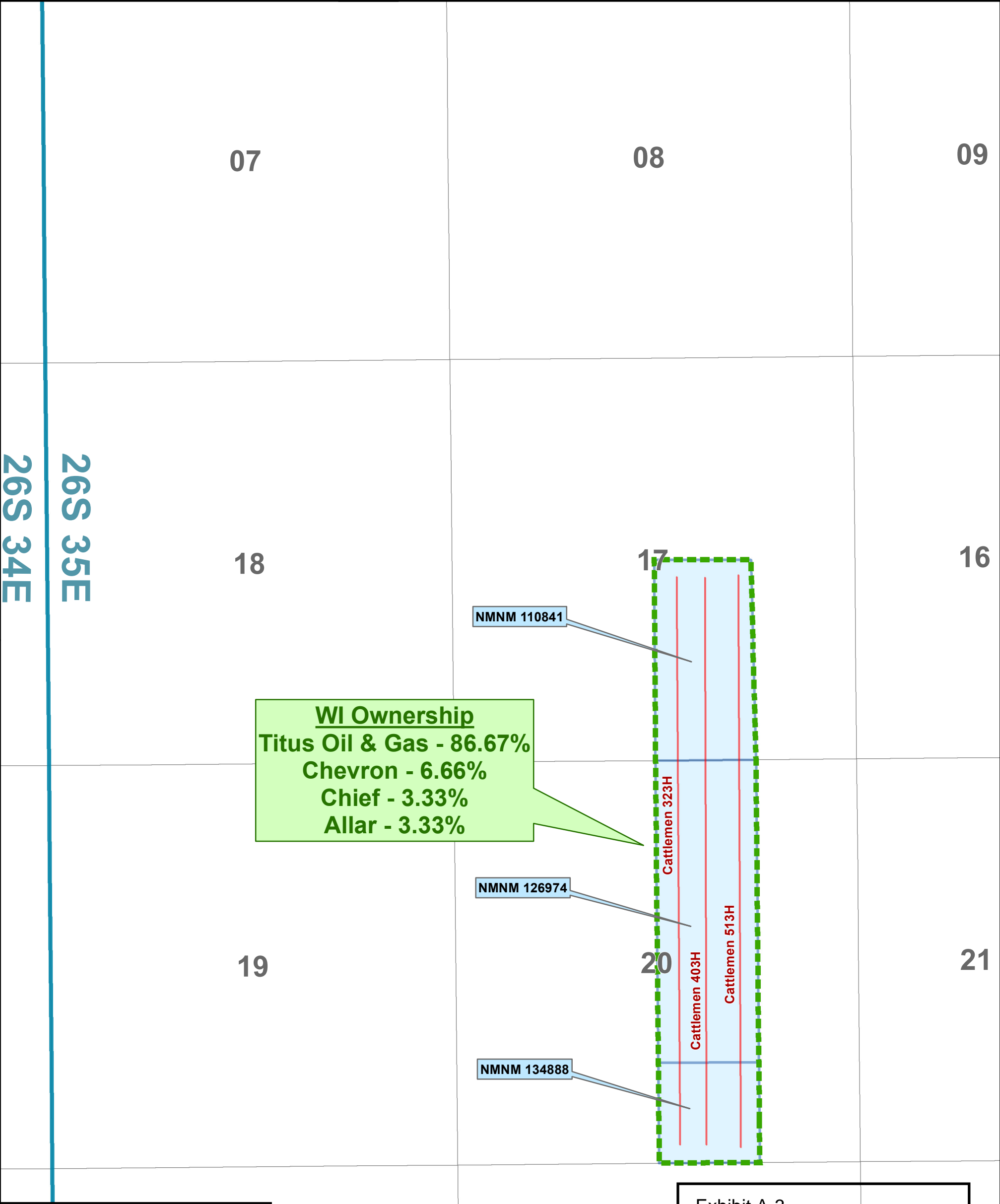




TOG - Cattlemen - 21210, 21211

Lea County, New Mexico; T-26-S, R-35-E





Unit

Tracts

Planned Wellbores

Exhibit A-3

Titus Oil & Gas Production, LLC

NMOCD Case No. 21211

June 25, 2020

N

**CONTRACT AREA:**

T26S-R35E  
Section 17: W/2 SE/4  
Section 20: W/2 E/2  
Lea County New Mexico, containing 240.00 acres, more or less.

**DEPTH RESTRICTIONS:**

All depths below the base of the Delaware formation.

**INTEREST OF THE PARTIES TO THIS AGREEMENT:**

Interest Owners	Working Interest
Titus Oil & Gas Production, LLC 420 Throckmorton Street, Suite 1150 Fort Worth, TX 76102 wjones@titusoil.com Attn: Land Department	86.67%
Chevron U.S.A., Inc. 1400 Smith Street Houston, Texas 77002	6.67%
Chief Capital (O&G) II, LLC 8111 Westchester, Suite 900 Dallas, TX 75225	3.33%
Allar Development LLC PO Box 1567 Graham, TX 76450	3.33%
Total:	100.0000%

**OIL AND GAS LEASES SUBJECT TO THIS AGREEMENT:**

Lessor: United States of America – USA NMNM 110841  
Lessee: Echo Production Inc.  
Date: September 1, 2003  
Description: W/2 SE/4 of Section 17, T26S, R35E, NMPM  
Lea County, NM

Lessor: United States of America – USA NMNM 126974  
Lessee: Yates Petroleum, et al  
Date: September 1, 2011  
Description: W/2 E/2 of Section 20, T26S, R35E, NMPM  
Lea County, NM

Exhibit A-4  
Titus Oil & Gas Production, LLC  
NMOCD Case No. 21211  
June 25, 2020

Contact	Type	Notes	Contact Info
Chevron	Emails and Phone Calls	<p>7/3/2019 - sent (now rescinded) well proposals covering a portion of the Lonesome Dove / Cattlemen acreage</p> <p>7/13/2019 - Titus provided a requested JOA covering the (now rescinded) well proposals for review</p> <p>8/19/2019 - Chevron provided comments to the proposed JOA. I advised that we are waiting on JOA comments from other parties</p> <p>10/24/2019 - Titus provided feedback to Chevron's JOA comments</p> <p>10/30/2019 - Chevron advised that their technical team will be reaching out for further discussion</p> <p>October/November 2019 - various discussions between technical teams took place via phone call</p> <p>January 2020 - After acquiring additional interest in the area, Titus rescinded its 7/3/2019 well proposals and proposed new wells (Cattlemen and Lonesome Dove) with different proration units</p> <p>3/9/2020 - Chevron reached out for drilling timing and Titus advised that it would continue to monitor the pricing environment and advise of any changes to its drill schedule. Titus asked if the previously provided JOA comments would be sufficient for these newly proposed wells</p> <p>3/10/2020 - Chevron advised that the previously provided comments are acceptable, with a couple of clarifications necessary</p> <p>4/14/2020 - Chevron reached out about possible trade discussions involving this acreage</p> <p>6/15/2020 - Chevron advised that their technical group would like to have additional conversations on the proposals</p> <p>June 2020 - Chevron and Titus continue to have ongoing conversations about trades and finalizing a JOA</p>	<p>Kristen Hunter</p> <p>Shalyce Holmes</p> <p>Chevron</p> <p>Land Representatives</p>
Chief Capital	Emails and Phone Calls	<p>7/3/2019 - sent (now rescinded) well proposals covering a portion of the Lonesome Dove / Cattlemen acreage</p> <p>August/September 2019 - conversations continued about JOA comments and there was an in-person meeting to discuss these proposals as wells as other interests</p> <p>11/13/2019 - Chief provided comments to the JOA</p> <p>1/3/2020 - Titus advised that it had acquired additional interest in the area and new well proposals would follow</p> <p>January 2020 - Titus rescinded its 7/3/2019 well proposals and proposed new wells (Cattlemen and Lonesome Dove) with different proration units</p> <p>1/21/2020 - Chief advised that its previously provided comments will apply to the JOA for the newly proposed wells</p> <p>1/21/2020 - Titus confirmed that it will be the same form of JOA</p> <p>4/21/2020 - Chief reached out for JOA and timing updates</p> <p>4/21/2020 - Titus updated Chief with the latest timing for development and JOA feedback</p> <p>June 2020 - Though a JOA has not been executed, it appears very likely once all parties have provided</p>	<p>Lacy Robertson</p> <p>Chief Capital</p> <p>Land Representative</p>
Allar Company	Emails and Phone Calls	<p>7/3/2019 - sent (now rescinded) well proposals covering a portion of the Lonesome Dove / Cattlemen acreage</p> <p>8/15/2019 - Titus reached out for feedback on the well proposals</p> <p>8/19/2019 - Titus reached out again for feedback on the well proposals</p> <p>8/20/2019 - Allar advised that their interests are usually force pooled</p> <p>January 2020 - After acquiring additional interest in the area, Titus rescinded its 7/3/2019 well proposals and proposed new wells (Cattlemen and Lonesome Dove) with different proration units</p> <p>2020 - Titus has not heard back from Allar and is proceeding with pooling</p>	<p>Win Graham</p> <p>Jack Graham</p> <p>Allar Company</p>

## Exhibit A-5

Titus Oil & Gas Production, LLC

NMOCD Case No. 21211

June 25, 2020

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code 98234	3 Pool Name WC-025 G-09 S263619C; Wolfcamp
4 Property Code	5 Property Name CATTLEMEN FED COM	6 Well Number 403H
7 OGRID No. 373986	8 Operator Name TITUS OIL & GAS PRODUCTION LLC	9 Elevation 3228'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	17	26-S	35-E		2077'	NORTH	1972'	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	20	26-S	35-E		10'	SOUTH	2310'	EAST	LEA

12 Dedicated Acres 240	13 Joint or Infill Y	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16

**SURFACE HOLE LOCATION (SHL)**  
NEW MEXICO EAST - NAD 83  
X= 834459.81 LAT.= 32.04484860° N  
Y= 381338.12 LONG.= 103.38729924° W  
NEW MEXICO EAST - NAD 27  
X= 793271.82 LAT.= 32.04472216° N  
Y= 381280.72 LONG.= 103.38683823° W  
2077' FNL, 1972' FEL - SECTION 17

**FIRST TAKE POINT (FTP)**  
NEW MEXICO EAST - NAD 83  
X=834128.71 LAT.= 32.04302419° N  
Y=380671.47 LONG.= 103.38838654° W  
NEW MEXICO EAST - NAD 27  
X=792940.70 LAT.= 32.04289775° N  
Y=380614.08 LONG.= 103.38792559° W  
2541' FSL, 2310' FEL - SECTION 17  
100' FNL, 331' FWL - LEASE

**LAST TAKE POINT (LTP)**  
NEW MEXICO EAST - NAD 83  
X=834205.85 LAT.= 32.02179535° N  
Y=372948.67 LONG.= 103.38835563° W  
NEW MEXICO EAST - NAD 27  
X=793017.50 LAT.= 32.02166880° N  
Y=372891.49 LONG.= 103.38789588° W  
100' FSL, 2308' FEL - SECTION 20  
100' FSL, 330' FWL - LEASE

**BOTTOM HOLE LOCATION (BHL)**  
NEW MEXICO EAST - NAD 83  
X=834206.77 LAT.= 32.02154796° N  
Y=372858.68 LONG.= 103.38835522° W  
NEW MEXICO EAST - NAD 27  
X=793018.41 LAT.= 32.02142141° N  
Y=372801.50 LONG.= 103.38789548° W  
10' FSL, 2308' FEL - SECTION 20  
10' FSL, 330' FWL - LEASE

**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Ryan DeLong* Date: 1/21/2020  
Ryan DeLong - Regulatory Manager  
Printed Name  
rdelong@titusoil.com  
E-mail Address

**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 01/15/2020  
Signature and Seal of Professional Surveyor: *Garrett J. Smelker*  
Certificate Number: 25036  
PROFESSIONAL SURVEYOR



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
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Form C-102  
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District Office  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code 98234	3 Pool Name WC-025 G-09 S263619C; Wolfcamp
4 Property Code	5 Property Name CATTLEMEN FED COM	6 Well Number 513H
7 OGRID No. 373986	8 Operator Name TITUS OIL & GAS PRODUCTION LLC	9 Elevation 3227'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	17	26-S	35-E		2077'	NORTH	1942'	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	20	26-S	35-E		10'	SOUTH	1870'	EAST	LEA

12 Dedicated Acres 240	13 Joint or Infill Y	14 Consolidation Code	15 Order No.
---------------------------	-------------------------	-----------------------	--------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16

**SURFACE HOLE LOCATION (SHL)**  
NEW MEXICO EAST - NAD 83  
X= 834489.87 LAT.= 32.04484843° N  
Y= 381338.33 LONG.= 103.38720222° W  
NEW MEXICO EAST - NAD 27  
X= 793301.88 LAT.= 32.04472199° N  
Y= 381280.92 LONG.= 103.38674121° W  
2077' FNL, 1942' FEL - SECTION 17

**FIRST TAKE POINT (FTP)**  
NEW MEXICO EAST - NAD 83  
X=834568.70 LAT.= 32.04302212° N  
Y=380674.57 LONG.= 103.38696660° W  
NEW MEXICO EAST - NAD 27  
X=793380.69 LAT.= 32.04289566° N  
Y=380617.18 LONG.= 103.38650570° W  
2541' FSL, 1870' FEL - SECTION 17  
100' FNL, 549' FEL - LEASE

**LAST TAKE POINT (LTP)**  
NEW MEXICO EAST - NAD 83  
X=834644.73 LAT.= 32.02179223° N  
Y=372951.37 LONG.= 103.38694247° W  
NEW MEXICO EAST - NAD 27  
X=793455.49 LAT.= 32.02166566° N  
Y=372894.19 LONG.= 103.38648276° W  
100' FSL, 1870' FEL - SECTION 20  
100' FSL, 551' FEL - LEASE

**BOTTOM HOLE LOCATION (BHL)**  
NEW MEXICO EAST - NAD 83  
X=834644.73 LAT.= 32.02154484° N  
Y=372861.38 LONG.= 103.38694216° W  
NEW MEXICO EAST - NAD 27  
X=793456.38 LAT.= 32.02141827° N  
Y=372804.20 LONG.= 103.38648246° W  
10' FSL, 1870' FEL - SECTION 20  
10' FSL, 551' FEL - LEASE

**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *[Signature]* Date: 1/21/2020  
Ryan DeLong - Regulatory Manager  
Printed Name  
rdelong@titusoil.com  
E-mail Address

**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 01/15/2020  
Signature and Seal of Professional Surveyor: *[Signature]*  
Certificate Number: 25036



**Titus Oil & Gas Production, LLC**

420 Throckmorton Street, Suite 1150  
Fort Worth, Texas 76102

January 17, 2020

**Federal Express**

The Allar Company  
PO Box 1567  
Graham, TX 76450

RE: Cattlemen Fed Com 513H Well Proposal  
T26S-R35E  
Lea County, New Mexico

Dear Working Interest Owner,

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the Cattlemen Fed Com 513H ("Subject Well") to an approximate True Vertical Depth of 13,050' and an approximate Total Measured Depth of 20,970' in order to test the Wolfcamp formation. The proration unit will include the W2SE4 Section 17 & W2E2 Section 20, T26S-R35E, Lea County, New Mexico. **Please note that Titus hereby rescinds the well proposals dated July 3, 2019 for the El Campeon North 20-17 Fed #323H, #324H, #403H, #404H, #433H, #434H, #514H, #515H and #516H wells.**

The estimated cost of drilling, completing, and equipping the Subject Well is \$9,829,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 2077' FNL and 1942' FEL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FSL and 1870' FEL of Section 20, T26S-R35E. The Subject Well's first take point will be approximately 2540' FSL and 1870' FEL of Section 17, T26S-R35E, and the last take point will be approximately 100' FSL and 1870' FEL of Section 20, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: SE4 and Section 20: E2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 20%, proportionately reduced
- \$7,500 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined below.

Sincerely,



Walter P. Jones  
(817) 852-6875  
wjones@titusoil.com

Exhibit A-7

Titus Oil & Gas Production, LLC  
NMOCD Case No. 21211  
June 25, 2020

Please select one of the following and return:

\_\_\_\_\_ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 513H.

\_\_\_\_\_ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 513H.

\_\_\_\_\_ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

Allar Company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

<b>Well Name</b>	Cattlemen Fed Com 513H	<b>MD / TVD</b>	20,970'	13,050'
<b>Legal</b>	W2SE4 Section 17 & W2E2 Section 20, T26S-R35E	<b>Cty / State</b>	Lea	NM
<b>Formation</b>	Wolfcamp B	<b>Field</b>	Jabalina	

<b>INTANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Land/ Legal/ Regulatory/ Insurance	\$ 58,758	\$ -	\$ -	\$ -	\$ 58,758
Location/ Surveys/ Damages	\$ 241,560	\$ 3,850	\$ -	\$ -	\$ 245,410
Daywork Contract	\$ 788,661	\$ 336,910	\$ 24,936	\$ -	\$ 1,150,507
Mob / Trucking / Cranes/ Fork Lift	\$ 65,287	\$ 402,496	\$ 7,422	\$ 25,888	\$ 501,093
Fuel & Power	\$ 148,853	\$ 4,135	\$ -	\$ -	\$ 152,988
Directional Drilling Services	\$ 387,802	\$ -	\$ -	\$ -	\$ 387,802
Bits	\$ 126,656	\$ -	\$ -	\$ -	\$ 126,656
Mud & Chemicals	\$ 261,146	\$ -	\$ -	\$ -	\$ 261,146
Water	\$ 52,229	\$ 401,498	\$ -	\$ -	\$ 453,727
Disposal/ Closed Loop/ HES	\$ 195,860	\$ 21,957	\$ 104,111	\$ -	\$ 321,927
Cement/ Csg equip & services	\$ 346,019	\$ -	\$ -	\$ -	\$ 346,019
Rental - Surface	\$ 163,216	\$ 342,614	\$ 107,177	\$ -	\$ 613,007
Rental - Subsurface	\$ 97,930	\$ 65,300	\$ 13,726	\$ -	\$ 176,956
Company Supervision	\$ 18,019	\$ 30,797	\$ -	\$ -	\$ 48,816
Contract Supervision	\$ 130,038	\$ 111,353	\$ 8,678	\$ -	\$ 250,069
Geologic Evaluation	\$ 36,560	\$ 49,189	\$ -	\$ -	\$ 85,750
Perf & Wireline Services	\$ -	\$ 192,052	\$ 7,422	\$ -	\$ 199,474
Contract Labor	\$ 37,866	\$ 19,533	\$ 32,040	\$ 81,817	\$ 171,256
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 36,500	\$ 179,730	\$ -	\$ 216,230
Services Wellhead	\$ 15,669	\$ 56,888	\$ 5,710	\$ -	\$ 78,267
Stimulation	\$ -	\$ 1,613,121	\$ -	\$ -	\$ 1,613,121
Material Consumables	\$ -	\$ 544,931	\$ -	\$ -	\$ 544,931
Contingency	\$ -	\$ 211,585	\$ 24,548	\$ 5,385	\$ 241,518
<b>Total Intangibles</b>	<b>\$ 3,172,129</b>	<b>\$ 4,444,709</b>	<b>\$ 515,500</b>	<b>\$ 113,090</b>	<b>\$ 8,245,428</b>

<b>TANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Casing	\$ 813,470	\$ -	\$ -	\$ -	\$ 813,470
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 91,401	\$ 115,345	\$ 7,323	\$ -	\$ 214,069
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ 18,547
<b>Total Tangibles</b>	<b>\$ 904,871</b>	<b>\$ 115,345</b>	<b>\$ 157,663</b>	<b>\$ 405,693</b>	<b>\$ 1,583,572</b>
<b>Total DC&amp;E</b>	<b>\$ 4,077,000</b>	<b>\$ 4,560,054</b>	<b>\$ 673,163</b>	<b>\$ 518,783</b>	<b>\$ 9,829,000</b>

Non Operating Partner Approval

<b>Company:</b>	<b>By:</b>	<b>Date:</b>
	<b>Its:</b>	

**Titus Oil & Gas Production, LLC**

420 Throckmorton Street, Suite 1150  
Fort Worth, Texas 76102

January 17, 2020

**Federal Express**

The Allar Company  
PO Box 1567  
Graham, TX 76450

RE: Cattlemen Fed Com 403H Well Proposal  
T26S-R35E  
Lea County, New Mexico

Dear Working Interest Owner,

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the Cattlemen Fed Com 403H ("Subject Well") to an approximate True Vertical Depth of 12,600' and an approximate Total Measured Depth of 20,520' in order to test the Wolfcamp formation. The proration unit will include the W2SE4 Section 17 & W2E2 Section 20, T26S-R35E, Lea County, New Mexico. **Please note that Titus hereby rescinds the well proposals dated July 3, 2019 for the El Campeon North 20-17 Fed #323H, #324H, #403H, #404H, #433H, #434H, #514H, #515H and #516H wells.**

The estimated cost of drilling, completing, and equipping the Subject Well is \$9,644,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 2077' FNL and 1972' FEL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FSL and 2310' FEL of Section 20, T26S-R35E. The Subject Well's first take point will be approximately 2540' FSL and 2310' FEL of Section 17, T26S-R35E, and the last take point will be approximately 100' FSL and 2310' FEL of Section 20, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: SE4 and Section 20: E2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
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Should you have any questions, please feel free to contact the undersigned at the contact information outlined below.

Sincerely,



Walter P. Jones  
(817) 852-6875  
wjones@titusoil.com

Please select one of the following and return:

\_\_\_\_\_ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 403H.

\_\_\_\_\_ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 403H.

\_\_\_\_\_ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

Allar Company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

<b>Well Name</b>	Cattlemen Fed Com 403H	<b>MD / TVD</b>	20,520'	12,600'
<b>Legal</b>	W2SE4 Section 17 & W2E2 Section 20, T26S-R35E	<b>Cty / State</b>	Lea	NM
<b>Formation</b>	Wolfcamp X/Y	<b>Field</b>	Jabalina	

<b>INTANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Land/ Legal/ Regulatory/ Insurance	\$ 58,614	\$ -	\$ -	\$ -	\$ 58,614
Location/ Surveys/ Damages	\$ 240,968	\$ 3,702	\$ -	\$ -	\$ 244,670
Daywork Contract	\$ 786,727	\$ 323,981	\$ 24,936	\$ -	\$ 1,135,643
Mob / Trucking / Cranes/ Fork Lift	\$ 65,126	\$ 387,050	\$ 7,422	\$ 25,888	\$ 485,486
Fuel & Power	\$ 148,488	\$ 3,976	\$ -	\$ -	\$ 152,464
Directional Drilling Services	\$ 386,851	\$ -	\$ -	\$ -	\$ 386,851
Bits	\$ 126,345	\$ -	\$ -	\$ -	\$ 126,345
Mud & Chemicals	\$ 260,506	\$ -	\$ -	\$ -	\$ 260,506
Water	\$ 52,101	\$ 386,090	\$ -	\$ -	\$ 438,191
Disposal/ Closed Loop/ HES	\$ 195,379	\$ 21,114	\$ 104,111	\$ -	\$ 320,604
Cement/ Csg equip & services	\$ 345,170	\$ -	\$ -	\$ -	\$ 345,170
Rental - Surface	\$ 162,816	\$ 329,465	\$ 107,177	\$ -	\$ 599,458
Rental - Subsurface	\$ 97,690	\$ 62,794	\$ 13,726	\$ -	\$ 174,210
Company Supervision	\$ 17,975	\$ 29,615	\$ -	\$ -	\$ 47,590
Contract Supervision	\$ 129,719	\$ 107,080	\$ 8,678	\$ -	\$ 245,477
Geologic Evaluation	\$ 36,471	\$ 47,301	\$ -	\$ -	\$ 83,772
Perf & Wireline Services	\$ -	\$ 184,681	\$ 7,422	\$ -	\$ 192,104
Contract Labor	\$ 37,773	\$ 18,783	\$ 32,040	\$ 81,817	\$ 170,414
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 35,099	\$ 179,730	\$ -	\$ 214,829
Services Wellhead	\$ 15,630	\$ 54,705	\$ 5,710	\$ -	\$ 76,045
Stimulation	\$ -	\$ 1,551,215	\$ -	\$ -	\$ 1,551,215
Material Consumables	\$ -	\$ 524,018	\$ -	\$ -	\$ 524,018
Contingency	\$ -	\$ 203,465	\$ 24,548	\$ 5,385	\$ 233,398
<b>Total Intangibles</b>	<b>\$ 3,164,348</b>	<b>\$ 4,274,135</b>	<b>\$ 515,500</b>	<b>\$ 113,090</b>	<b>\$ 8,067,074</b>

<b>TANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Casing	\$ 811,475	\$ -	\$ -	\$ -	\$ 811,475
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 91,177	\$ 110,919	\$ 7,323	\$ -	\$ 209,419
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ 18,547
<b>Total Tangibles</b>	<b>\$ 902,652</b>	<b>\$ 110,919</b>	<b>\$ 157,663</b>	<b>\$ 405,693</b>	<b>\$ 1,576,926</b>
<b>Total DC&amp;E</b>	<b>\$ 4,067,000</b>	<b>\$ 4,385,054</b>	<b>\$ 673,163</b>	<b>\$ 518,783</b>	<b>\$ 9,644,000</b>

Non Operating Partner Approval

<b>Company:</b>	<b>By:</b>	<b>Date:</b>
	<b>Its:</b>	

**Titus Oil & Gas Production, LLC**

420 Throckmorton Street, Suite 1150  
Fort Worth, Texas 76102

January 17, 2020

**Federal Express**

The Allar Company  
PO Box 1567  
Graham, TX 76450

RE: Cattlemen Fed Com 323H Well Proposal  
T26S-R35E  
Lea County, New Mexico

Dear Working Interest Owner,

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the Cattlemen Fed Com 323H ("Subject Well") to an approximate True Vertical Depth of 12,500' and an approximate Total Measured Depth of 20,420' in order to test the Bone Spring formation. The proration unit will include the W2SE4 Section 17 & W2E2 Section 20, T26S-R35E, Lea County, New Mexico. **Please note that Titus hereby rescinds the well proposals dated July 3, 2019 for the El Campeon North 20-17 Fed #323H, #324H, #403H, #404H, #433H, #434H, #514H, #515H and #516H wells.**

The estimated cost of drilling, completing, and equipping the Subject Well is \$9,644,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 2077' FNL and 1912' FEL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FSL and 1650' FEL of Section 20, T26S-R35E. The Subject Well's first take point will be approximately 2540' FSL and 1650' FEL of Section 17, T26S-R35E, and the last take point will be approximately 100' FSL and 1650' FEL of Section 20, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: SE4 and Section 20: E2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 20%, proportionately reduced
- \$7,500 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined below.

Sincerely,



Walter P. Jones  
(817) 852-6875  
wjones@titusoil.com

Please select one of the following and return:

\_\_\_\_\_ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 323H.

\_\_\_\_\_ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 323H.

\_\_\_\_\_ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

Allar Company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

<b>Well Name</b>	Cattlemen Fed Com 323H	<b>MD / TVD</b>	20,420'	12,500'
<b>Legal</b>	W2SE4 Section 17 & W2E2 Section 20, T26S-R35E	<b>Cty / State</b>	Lea	NM
<b>Formation</b>	3rd Bone Spring	<b>Field</b>	Jabalina	

<b>INTANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Land/ Legal/ Regulatory/ Insurance	\$ 58,614	\$ -	\$ -	\$ -	\$ 58,614
Location/ Surveys/ Damages	\$ 240,968	\$ 3,702	\$ -	\$ -	\$ 244,670
Daywork Contract	\$ 786,727	\$ 323,981	\$ 24,936	\$ -	\$ 1,135,643
Mob / Trucking / Cranes/ Fork Lift	\$ 65,126	\$ 387,050	\$ 7,422	\$ 25,888	\$ 485,486
Fuel & Power	\$ 148,488	\$ 3,976	\$ -	\$ -	\$ 152,464
Directional Drilling Services	\$ 386,851	\$ -	\$ -	\$ -	\$ 386,851
Bits	\$ 126,345	\$ -	\$ -	\$ -	\$ 126,345
Mud & Chemicals	\$ 260,506	\$ -	\$ -	\$ -	\$ 260,506
Water	\$ 52,101	\$ 386,090	\$ -	\$ -	\$ 438,191
Disposal/ Closed Loop/ HES	\$ 195,379	\$ 21,114	\$ 104,111	\$ -	\$ 320,604
Cement/ Csg equip & services	\$ 345,170	\$ -	\$ -	\$ -	\$ 345,170
Rental - Surface	\$ 162,816	\$ 329,465	\$ 107,177	\$ -	\$ 599,458
Rental - Subsurface	\$ 97,690	\$ 62,794	\$ 13,726	\$ -	\$ 174,210
Company Supervision	\$ 17,975	\$ 29,615	\$ -	\$ -	\$ 47,590
Contract Supervision	\$ 129,719	\$ 107,080	\$ 8,678	\$ -	\$ 245,477
Geologic Evaluation	\$ 36,471	\$ 47,301	\$ -	\$ -	\$ 83,772
Perf & Wireline Services	\$ -	\$ 184,681	\$ 7,422	\$ -	\$ 192,104
Contract Labor	\$ 37,773	\$ 18,783	\$ 32,040	\$ 81,817	\$ 170,414
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 35,099	\$ 179,730	\$ -	\$ 214,829
Services Wellhead	\$ 15,630	\$ 54,705	\$ 5,710	\$ -	\$ 76,045
Stimulation	\$ -	\$ 1,551,215	\$ -	\$ -	\$ 1,551,215
Material Consumables	\$ -	\$ 524,018	\$ -	\$ -	\$ 524,018
Contingency	\$ -	\$ 203,465	\$ 24,548	\$ 5,385	\$ 233,398
<b>Total Intangibles</b>	<b>\$ 3,164,348</b>	<b>\$ 4,274,135</b>	<b>\$ 515,500</b>	<b>\$ 113,090</b>	<b>\$ 8,067,074</b>

<b>TANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Casing	\$ 811,475	\$ -	\$ -	\$ -	\$ 811,475
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 91,177	\$ 110,919	\$ 7,323	\$ -	\$ 209,419
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ 18,547
<b>Total Tangibles</b>	<b>\$ 902,652</b>	<b>\$ 110,919</b>	<b>\$ 157,663</b>	<b>\$ 405,693</b>	<b>\$ 1,576,926</b>
<b>Total DC&amp;E</b>	<b>\$ 4,067,000</b>	<b>\$ 4,385,054</b>	<b>\$ 673,163</b>	<b>\$ 518,783</b>	<b>\$ 9,644,000</b>

Non Operating Partner Approval

<b>Company:</b>	<b>By:</b>	<b>Date:</b>
	<b>Its:</b>	

**Titus Oil & Gas Production, LLC**

420 Throckmorton Street, Suite 1150  
Fort Worth, Texas 76102

January 17, 2020

**Federal Express**

The Allar Company  
PO Box 1567  
Graham, TX 76450

RE: Cattlemen Fed Com 514H Well Proposal  
T26S-R35E  
Lea County, New Mexico

Dear Working Interest Owner,

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the Cattlemen Fed Com 514H ("Subject Well") to an approximate True Vertical Depth of 13,050' and an approximate Total Measured Depth of 20,970' in order to test the Wolfcamp formation. The proration unit will include the E2SE4 Section 17 & E2E2 Section 20, T26S-R35E, Lea County, New Mexico. **Please note that Titus hereby rescinds the well proposals dated July 3, 2019 for the El Campeon North 20-17 Fed #323H, #324H, #403H, #404H, #433H, #434H, #514H, #515H and #516H wells.**

The estimated cost of drilling, completing, and equipping the Subject Well is \$9,829,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 1948' FNL and 922' FEL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FSL and 530' FEL of Section 20, T26S-R35E. The Subject Well's first take point will be approximately 2540' FSL and 530' FEL of Section 17, T26S-R35E, and the last take point will be approximately 100' FSL and 530' FEL of Section 20, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: SE4 and Section 20: E2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 20%, proportionately reduced
- \$7,500 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined below.

Sincerely,



Walter P. Jones  
(817) 852-6875  
wjones@titusoil.com

Please select one of the following and return:

\_\_\_\_\_ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 514H.

\_\_\_\_\_ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 514H.

\_\_\_\_\_ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

Allar Company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

<b>Well Name</b>	Cattlemen Fed Com 514H		<b>MD / TVD</b>	20,970'	13,050'
<b>Legal</b>	E2SE4 Section 17 & E2E2 Section 20, T26S-R35E		<b>Cty / State</b>	Lea	NM
<b>Formation</b>	Wolfcamp B		<b>Field</b>	Jabalina	
<b>INTANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Land/ Legal/ Regulatory/ Insurance	\$ 58,758	\$ -	\$ -	\$ -	\$ 58,758
Location/ Surveys/ Damages	\$ 241,560	\$ 3,850	\$ -	\$ -	\$ 245,410
Daywork Contract	\$ 788,661	\$ 336,910	\$ 24,936	\$ -	\$ 1,150,507
Mob / Trucking / Cranes/ Fork Lift	\$ 65,287	\$ 402,496	\$ 7,422	\$ 25,888	\$ 501,093
Fuel & Power	\$ 148,853	\$ 4,135	\$ -	\$ -	\$ 152,988
Directional Drilling Services	\$ 387,802	\$ -	\$ -	\$ -	\$ 387,802
Bits	\$ 126,656	\$ -	\$ -	\$ -	\$ 126,656
Mud & Chemicals	\$ 261,146	\$ -	\$ -	\$ -	\$ 261,146
Water	\$ 52,229	\$ 401,498	\$ -	\$ -	\$ 453,727
Disposal/ Closed Loop/ HES	\$ 195,860	\$ 21,957	\$ 104,111	\$ -	\$ 321,927
Cement/ Csg equip & services	\$ 346,019	\$ -	\$ -	\$ -	\$ 346,019
Rental - Surface	\$ 163,216	\$ 342,614	\$ 107,177	\$ -	\$ 613,007
Rental - Subsurface	\$ 97,930	\$ 65,300	\$ 13,726	\$ -	\$ 176,956
Company Supervision	\$ 18,019	\$ 30,797	\$ -	\$ -	\$ 48,816
Contract Supervision	\$ 130,038	\$ 111,353	\$ 8,678	\$ -	\$ 250,069
Geologic Evaluation	\$ 36,560	\$ 49,189	\$ -	\$ -	\$ 85,750
Perf & Wireline Services	\$ -	\$ 192,052	\$ 7,422	\$ -	\$ 199,474
Contract Labor	\$ 37,866	\$ 19,533	\$ 32,040	\$ 81,817	\$ 171,256
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 36,500	\$ 179,730	\$ -	\$ 216,230
Services Wellhead	\$ 15,669	\$ 56,888	\$ 5,710	\$ -	\$ 78,267
Stimulation	\$ -	\$ 1,613,121	\$ -	\$ -	\$ 1,613,121
Material Consumables	\$ -	\$ 544,931	\$ -	\$ -	\$ 544,931
Contingency	\$ -	\$ 211,585	\$ 24,548	\$ 5,385	\$ 241,518
<b>Total Intangibles</b>	<b>\$ 3,172,129</b>	<b>\$ 4,444,709</b>	<b>\$ 515,500</b>	<b>\$ 113,090</b>	<b>\$ 8,245,428</b>
<b>TANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Casing	\$ 813,470	\$ -	\$ -	\$ -	\$ 813,470
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 91,401	\$ 115,345	\$ 7,323	\$ -	\$ 214,069
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ 18,547
<b>Total Tangibles</b>	<b>\$ 904,871</b>	<b>\$ 115,345</b>	<b>\$ 157,663</b>	<b>\$ 405,693</b>	<b>\$ 1,583,572</b>
<b>Total DC&amp;E</b>	<b>\$ 4,077,000</b>	<b>\$ 4,560,054</b>	<b>\$ 673,163</b>	<b>\$ 518,783</b>	<b>\$ 9,829,000</b>
<u>Non Operating Partner Approval</u>					
Company:	By:		Date:		
	Its:				



**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 13, 2020

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

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

**Re:** Case No. **21210** – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 323H**

Case No. **21211** – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 403H and 513H**

Case No. **21212** – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 404H, 434H and 514H**

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Titus Oil & Gas Production, LLC ("Titus") has filed five (5) Applications with the New Mexico Oil Conservation Division for orders regarding the proposed wells described below. You are receiving this notice because you may have an interest in one or more of these wells.

**Case No. 21210: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Bone Spring (Oil) 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 W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following well: **Cattlemen Fed Com 323H** well, to be horizontally drilled from an approximate surface hole location 2077' FNL and 1912' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10'

**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289  
Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

Exhibit A-8

Titus Oil & Gas Production, LLC

NMOCD Case No. 21210

June 25, 2020

FSL and 1650' FEL of Section 20, T26S-R35E. The completed interval and first and last take points for this well 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 well and lands are located approximately 13 miles southwest of Jal, New Mexico.

**Case No. 21211: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 403H** well, to be horizontally drilled from an approximate surface hole location 2077' FNL and 1972' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 2310' FEL of Section 20, T26S-R35E, and (2) **Cattlemen Fed Com 513H** well, to be horizontally drilled from an approximate surface hole location 2077' FNL and 1942' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 1870' FEL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells 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 13 miles southwest of Jal, New Mexico.

**Case No. 21212: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 SE/4 of Section 17 and the E/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 892' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 330' FEL of Section 20, T26S-R35E, (2) **Cattlemen Fed Com 434H** well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 952' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 989' FEL of

All Interest Owners  
March 13, 2020  
Page 3

Section 20, T26S-R35E, and (3) **Cattlemen Fed Com 514H** well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 922' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 530' FEL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells 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 13 miles southwest of Jal, New Mexico.

The attached Applications will be set for hearing before a Division Examiner **on April 2, 2020, at 8:15 a.m.** at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. 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 and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **March 26, 2020**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about these Applications.

Very truly yours,



Sharon T. Shaheen

STS/lt

Enclosures

cc: Titus Oil & Gas Production, LLC, *via email*

## **EXHIBIT A**

### **INTEREST OWNERS**

#### **Working Interest Parties:**

Allar Company  
P. O. Box 1567  
Graham, TX 76450

Chevron U.S.A., Inc.  
1400 Smith Street  
Houston, TX 77002

Chief Capital (O&G) II LLC  
8111 Westchester, Suite 900  
Dallas, TX 75225

#### **Additional Interested Party:**

Bureau of Land Management  
414 W. Taylor  
Hobbs, NM 88240-1157

State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87501



Wolfcamp Pooling

W2 E2

CASE NO. 21211

# Summary

## Wolfcamp Pooling – Lea County, New Mexico

Titus Oil & Gas Production, LLC (“Titus”) seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 403H** well, to be horizontally drilled from an approximate surface hole location 2077’ FNL and 1972’ FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 2310’ FEL of Section 20, T26S-R35E, and (2) **Cattlemen Fed Com 513H** well, to be horizontally drilled from an approximate surface hole location 2077’ FNL and 1942’ FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 1870’ FEL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells will meet statewide setback requirements for horizontal wells. **The Cattlemen Fed Com 403H** will target the Wolfcamp XY Sands at an approximate True Vertical Depth of 12,600’. The **Cattlemen Fed Com 513H** will target the Wolfcamp B Shale at an approximate True Vertical Depth of 13,050’.

The well will be drilled from north-to-south for a couple of reasons. Published literature related to the maximum horizontal stress in this part of the Delaware Basin supports a near east-to-west orientation; thus, preferred drilling orientation is orthogonal to this in order to complete a more successful stimulation. Also, this aligns with the remainder of ‘Titus’ planned development in the adjoining tracts, and therefore, doesn’t strand any acreage or reserves.

No depth severances apply.

See attached exhibits for spacing unit schematic, gunbarrel/lateral trajectory schematic, and horizontal spacing unit cross-section.

Exhibit B-1

Titus Oil & Gas Production, LLC

June 25, 2020

# Locator Map

With Cross-Section



Pooling outline

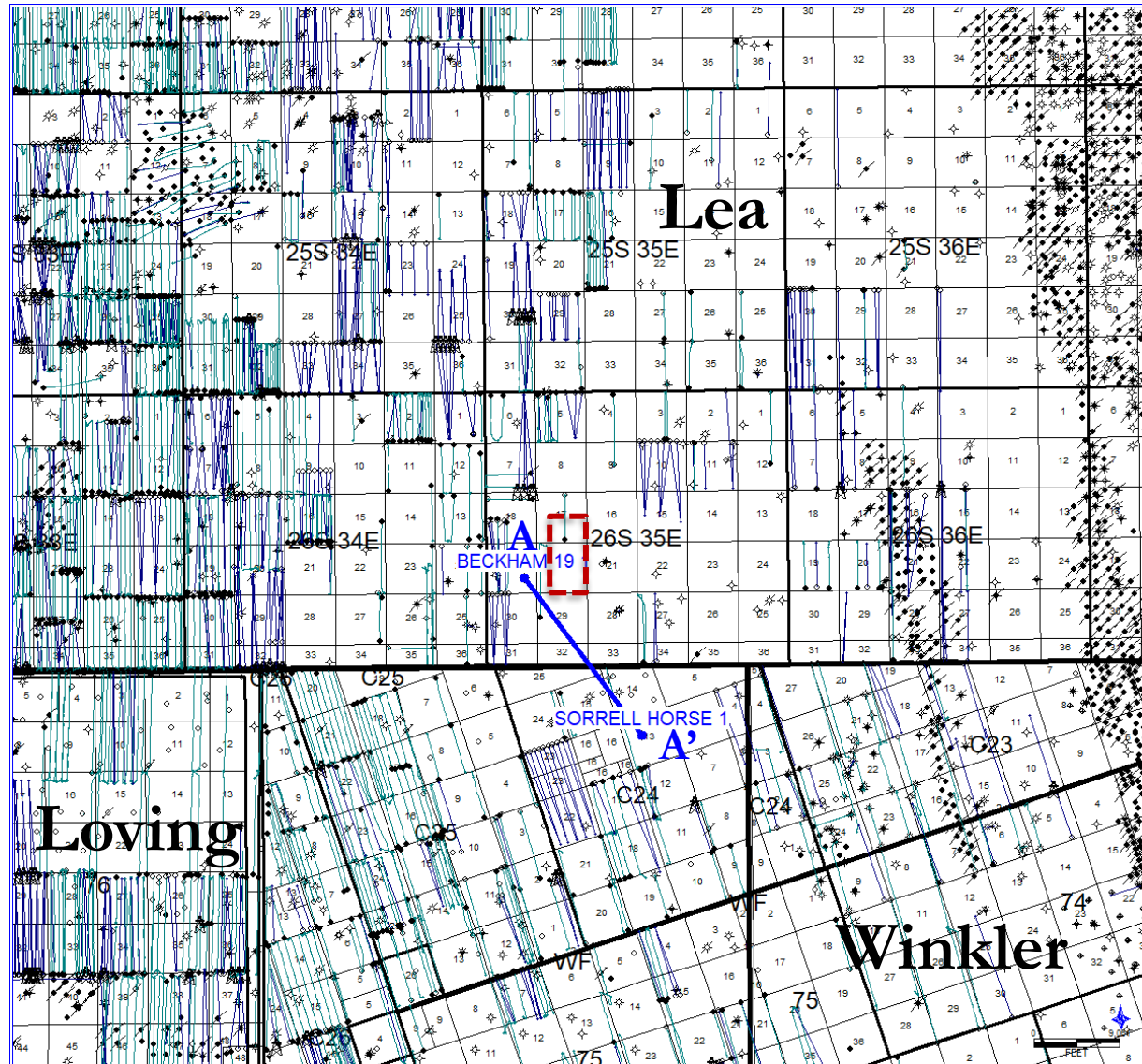


Cross-Section  
line

Exhibit B-2





Titus Oil & Gas Production

June 25, 2020



# Spacing Unit Schematic

With Approximate Well Location

-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed Com 403H Wellbore
-  Cattlemen Fed Com 513H Wellbore

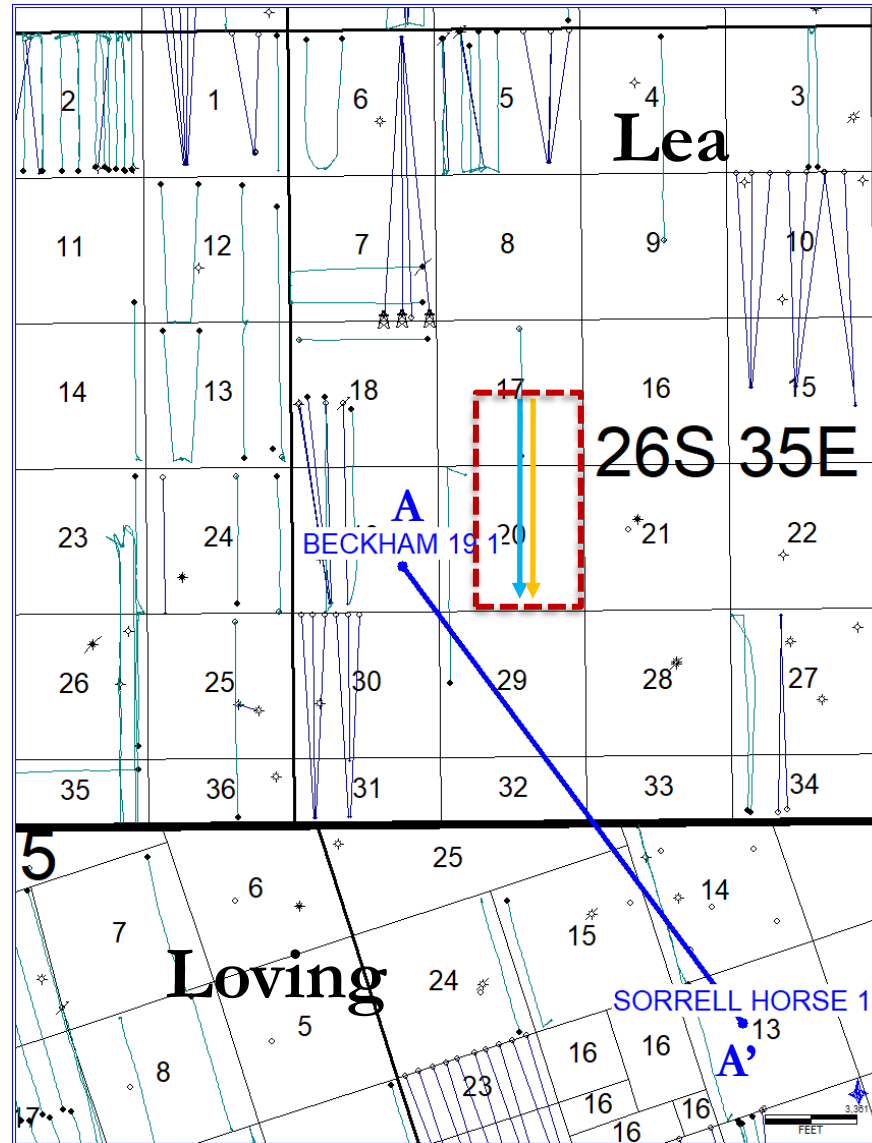


Exhibit B-3  
Titus Oil & Gas Production, LLC  
June 25, 2020

# Wolfcamp Structure Map

Contour Interval: 50 ft.

Subsea Depth

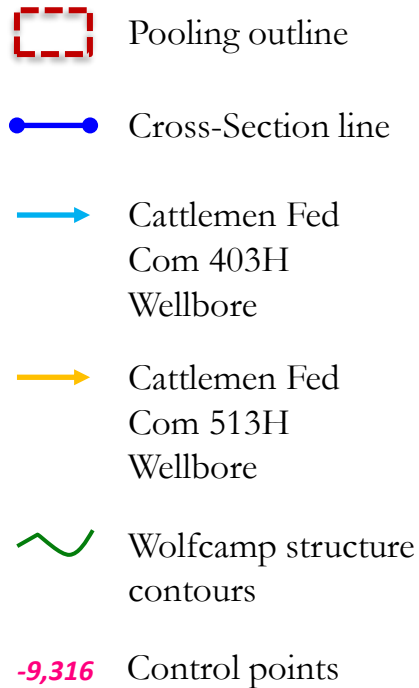
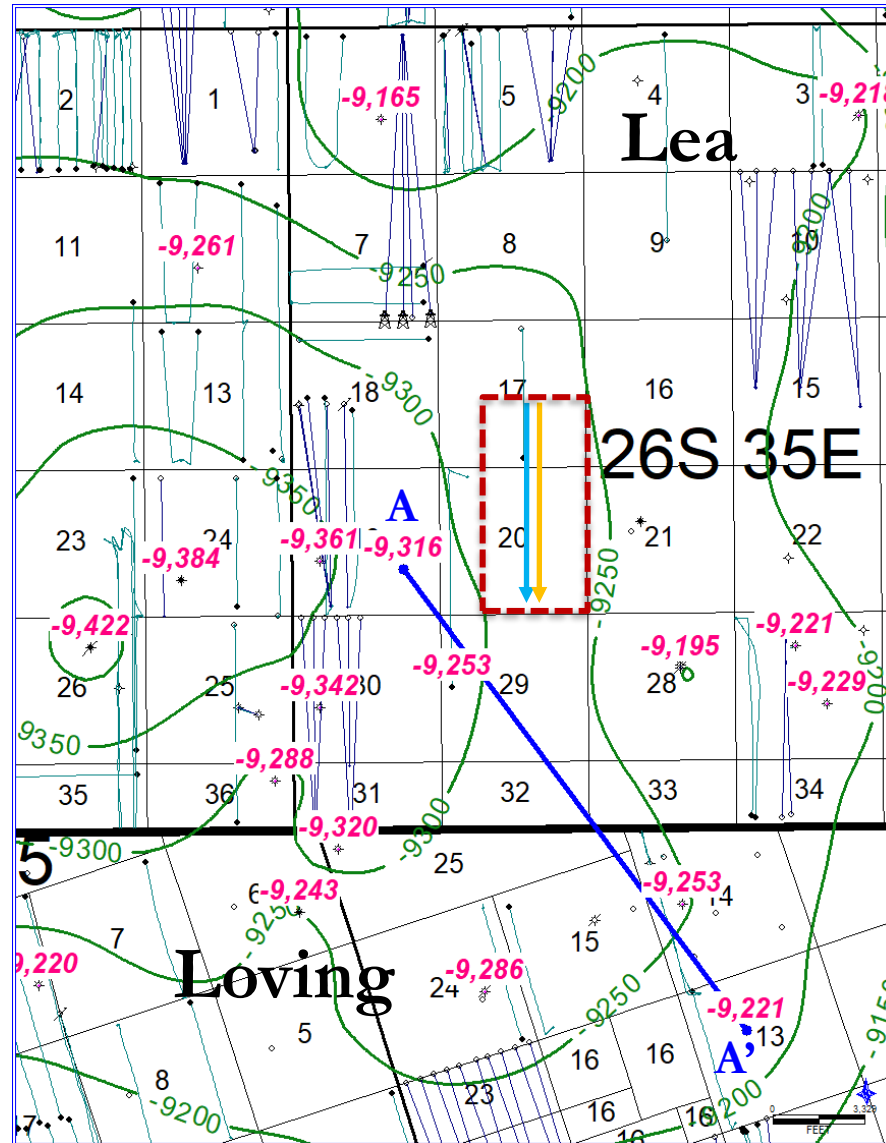







Exhibit B-4  
Titus Oil & Gas Production, LLC  
June 25, 2020



# Wolfcamp XY Isopach Map

Contour Interval: 10 ft.

-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed  
Com 403H  
Wellbore
-  Wolfcamp isopach  
contours
-  Control points

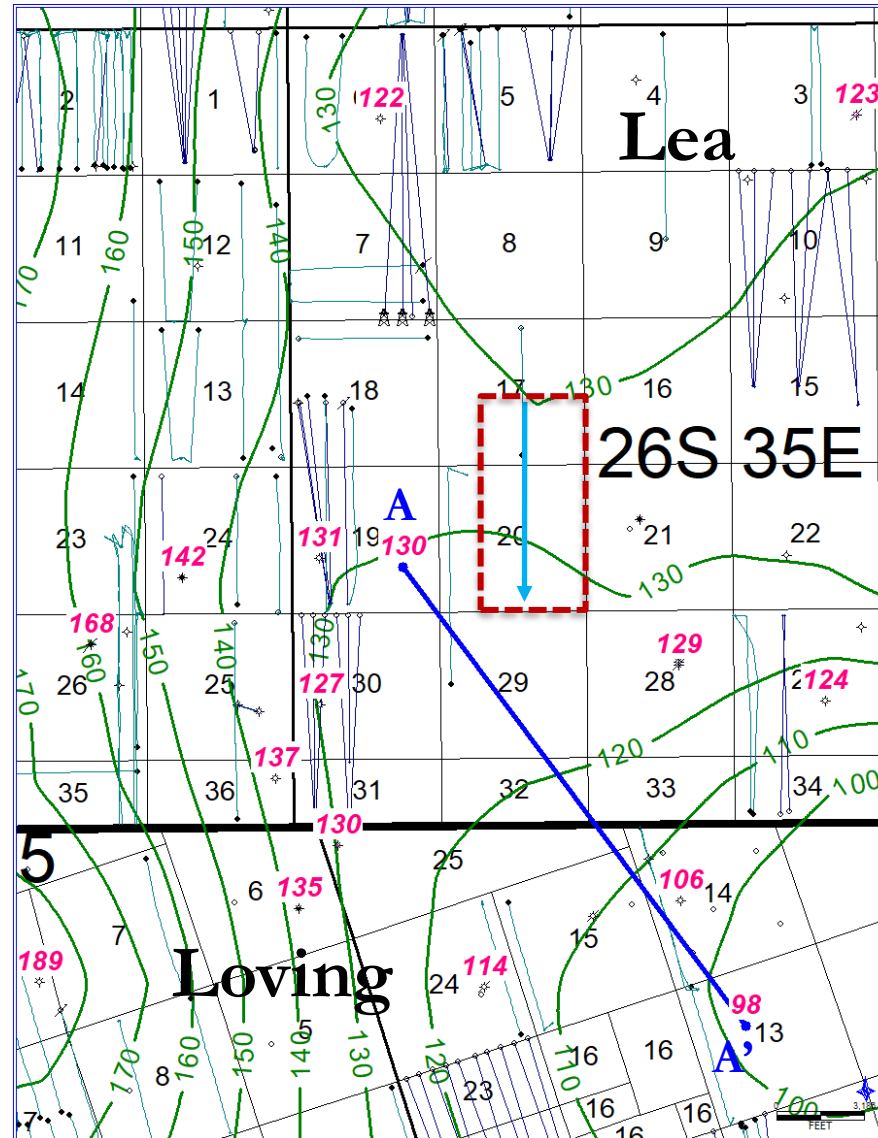


Exhibit B-5

Titus Oil & Gas Production, LLC

June 25, 2020

# Wolfcamp B Isopach Map

Contour Interval: 10 ft.






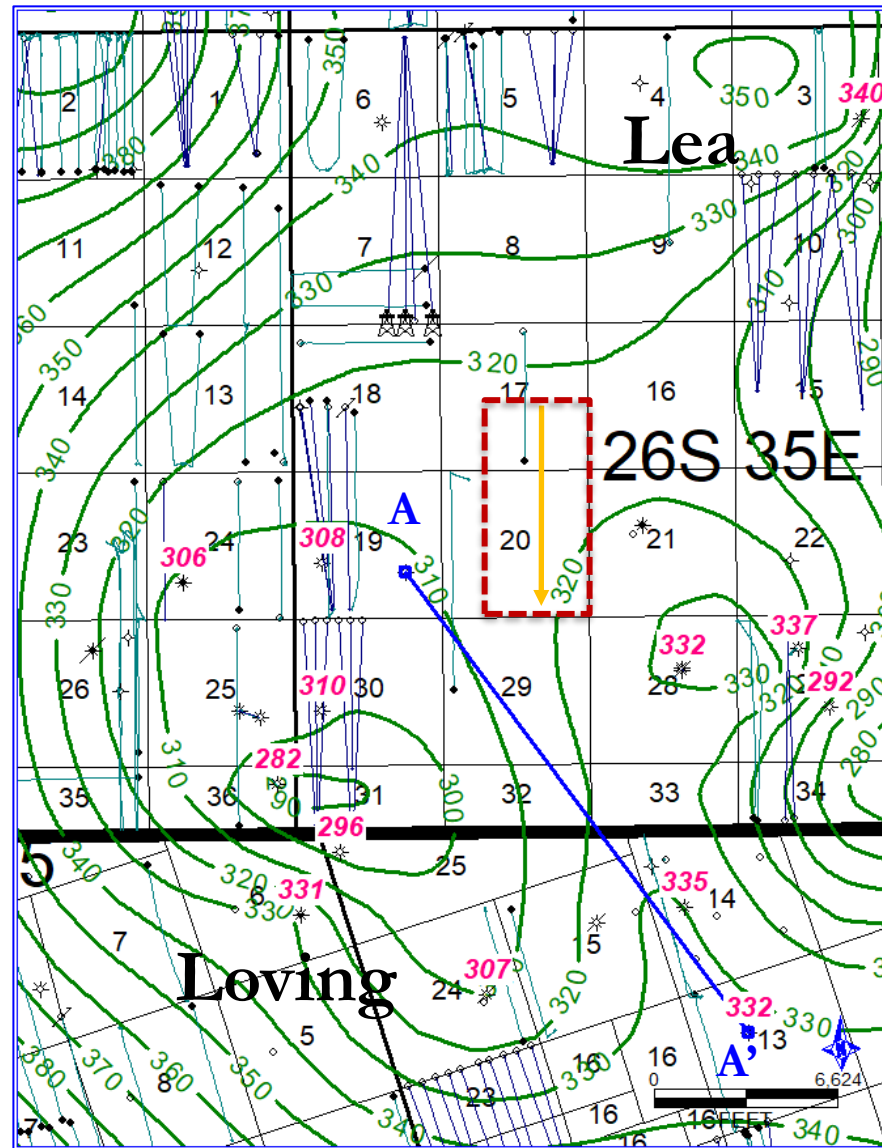
-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed  
Com 513H  
Wellbore
-  Wolfcamp isopach  
contours
-  Control points

Exhibit B-5

Titus Oil & Gas Production, LLC

June 25, 2020



# HSU Cross-Section

## Petrophysical Logs Support Wolfcamp XY Sands & B Shale Targets / Landing Zones

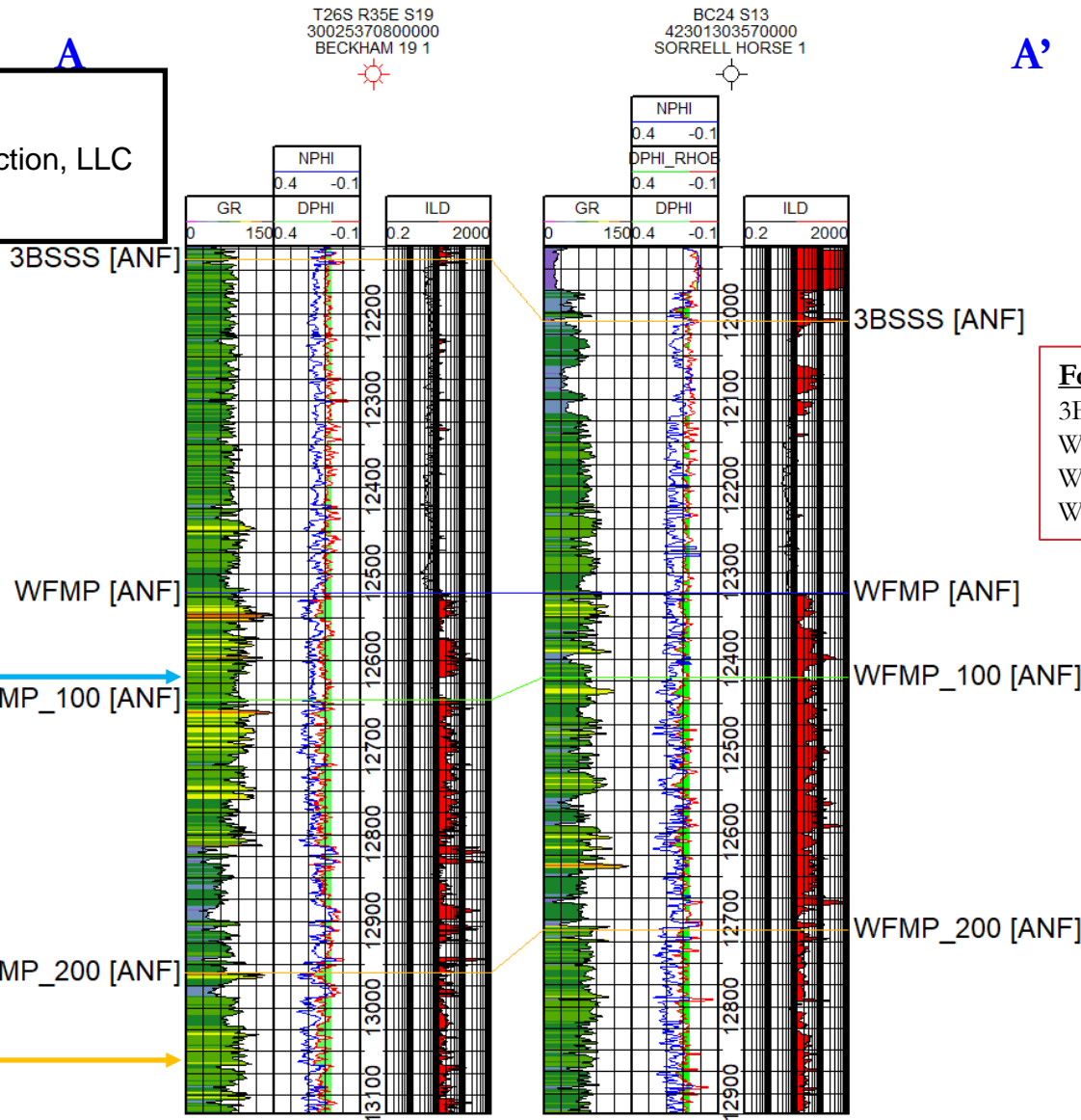
Exhibit B-6

Titus Oil & Gas Production, LLC

June 25, 2020

Cattlemen  
Fed Com 403H  
Target  
(Wolfcamp XY)

Cattlemen  
Fed Com 513H  
Target  
(Wolfcamp B)



### Formation Top Key:

3BSSS – 3<sup>rd</sup> Bone Spring Sandstone  
WFMP – Wolfcamp  
WFMP\_100 – Wolfcamp A  
WFMP\_200 – Wolfcamp B



# Titus' Cattlemen Horizontal Spacing Unit Gunbarrel

Cattlemen Fed Com 403H & 513H – Wolfcamp XY & B Targets

Exhibit B-7

Titus Oil & Gas Production, LLC

June 25, 2020

Cattlemen  
HSU

Beckham 19 1  
Sec. 19 – 26S – 35E

*LOWER BRUSHY*

*LEONARD A*

*LEONARD B*

*LEONARD C*

*1<sup>ST</sup> BONE SPRING SAND*

*2<sup>ND</sup> BONE SPRING SHALE*

*2<sup>ND</sup> BONE SPRING LIME*

*2<sup>ND</sup> BONE SPRING SAND*

*3<sup>RD</sup> BONE SPRING LIME*

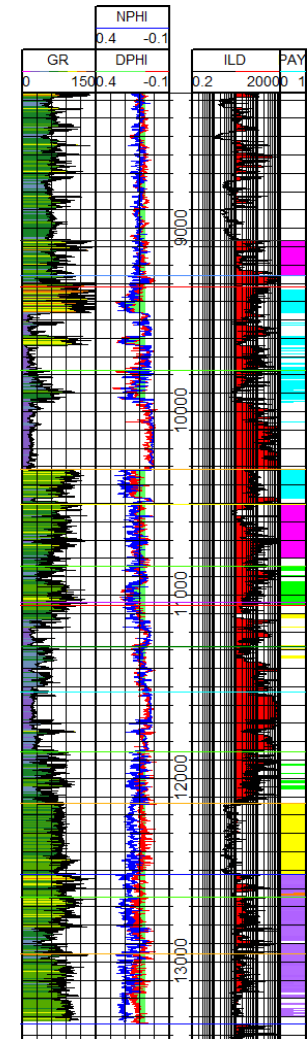
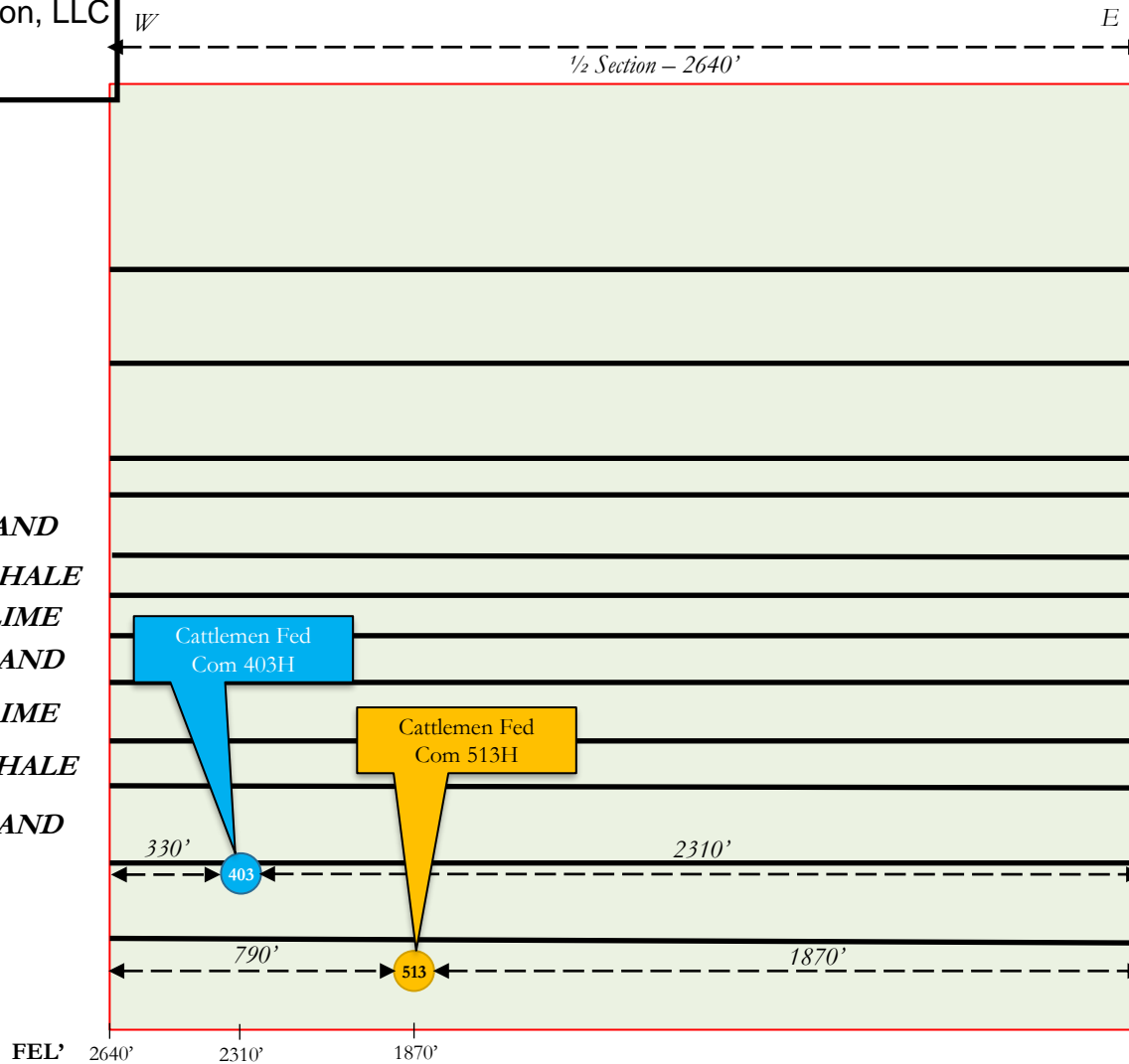
*3<sup>RD</sup> BONE SPRING SHALE*

*3<sup>RD</sup> BONE SPRING SAND*

*WOLFCAMP XY*

*WOLFCAMP A*

*WOLFCAMP B*



\*Depth ticks = 100'

Tab 7

# COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 21212</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:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	WC-025 G-09 S263619C; Wolfcamp [98234]
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	E2SE4 of Section 17 and E2E2 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 (60%); 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)	

Well #1	<p>Cattlemen Fed Com 404H, API No. Pending</p> <p>SHL: 1948' FNL and 892' FEL, Section 17-T26S-R35E, NMPM BHL: 10' FSL and 330' FEL, Section 20-T26S-R35E, NMPM</p> <p>Completion Target: Wolfcamp X/Y at approx 12,600 Feet TVD Well Orientation: North to South Completion location expected to be standard</p>
Well #2	<p>Cattlemen Fed Com 434H, API No. Pending</p> <p>SHL: 1948' FNL and 952' FEL, Section 17-T26S-R35E, NMPM BHL: 10' FSL and 989' FEL, Section 20-T26S-R35E, NMPM</p> <p>Completion Target: Wolfcamp A at approx 12,760 Feet TVD Well Orientation: North to South Completion location expected to be standard</p>
Well #3	<p>Cattlemen Fed Com 514H, API No. Pending</p> <p>SHL: 1948' FNL and 922' FEL, Section 17-T26S-R35E, NMPM BHL: 10' FSL and 530' FEL, Section 20-T26S-R35E, NMPM</p> <p>Completion Target: Wolfcamp B at approx 13,050 Feet TVD Well Orientation: North to South Completion location expected to be standard</p>
Horizontal Well First and Last Take Points	
Well #1	404H: FTP (~ 2541' FSL and 330' FEL of Section 17-T26S-R35E); LTP (~100' FSL and 330' FEL of Section 20-T26S-R35E)
Well #2	434H: FTP (~ 2541' FSL and 990' FEL of Section 17-T26S-R35E); LTP (~100' FSL and 989' FEL of Section 20-T26S-R35E)
Well #3	514H: FTP (~ 2541' FSL and 530' FEL of Section 17-T26S-R35E); LTP (~100' FSL and 530' FEL of Section 20-T26S-R35E)
Completion Target (Formation, TVD and MD)	
Well # 1	404H: Wolfcamp X/Y; TVD (~12,600'); MD (~20,520')
Well # 2	434H: Wolfcamp A; TVD (~12,760'); MD (~20,680')
Well # 3	514H: Wolfcamp B; TVD (~13,050'); MD (~20,970')
<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>	
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
<b>Forms, Figures and Tables</b>	
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
<b>Additional Information</b>	None
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Sharon T. Shaheen
<b>Signed Name</b> (Attorney or Party Representative):	<i>Sharon T. Shaheen</i>
<b>Date:</b>	6/23/2020

**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. 21212**

**APPLICATION**

Titus Oil & Gas Production, LLC (“Titus”) hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 SE/4 of Section 17 and the E/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. In support of its application, Titus states as follows:

1. Titus is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Titus proposes to drill the following wells in the proposed HSU:
  - Cattlemen Fed Com 404H well, to be horizontally drilled from an approximate surface hole location 1948’ FNL and 892’ FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 330’ FEL of Section 20, T26S-R35E.
  - Cattlemen Fed Com 434H well, to be horizontally drilled from an approximate surface hole location 1948’ FNL and 952’ FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 989’ FEL of Section 20, T26S-R35E.

- Cattlemen Fed Com 514H well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 922' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 530' FEL of Section 20, T26S-R35E.

3. The completed intervals and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

4. Titus has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

5. Approval of the HSU and the pooling of all mineral interest owners in the Wolfcamp formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit Titus to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Titus should be designated the operator of the HSU.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 2, 2020, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 240-acre, more or less, horizontal spacing and proration unit comprised of the E/2 SE/4 of Section 17 and the E/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, NMPM, in Lea County, New Mexico;

B. Pooling all mineral interests in the Wolfcamp formation underlying the HSU;

C. Allowing the drilling of the 1.5 mile Cattlemen Fed Com 404H, the 1.5 mile Cattlemen Fed Com 434H well, and the 1.5-mile Cattlemen Fed Com 514H well in the HSU;

- D. Designating Titus as operator of the HSU and the wells to be drilled thereon;
- E. Authorizing Titus to recover its costs of drilling, equipping and completing the wells;
- F. Approving the 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; and
- G. Imposing a 200% penalty for the risk assumed by Titus in drilling and completing the wells against any interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

John F. McIntyre

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

[sshaheen@montand.com](mailto:sshaheen@montand.com)

[jmcintyre@montand.com](mailto:jmcintyre@montand.com)

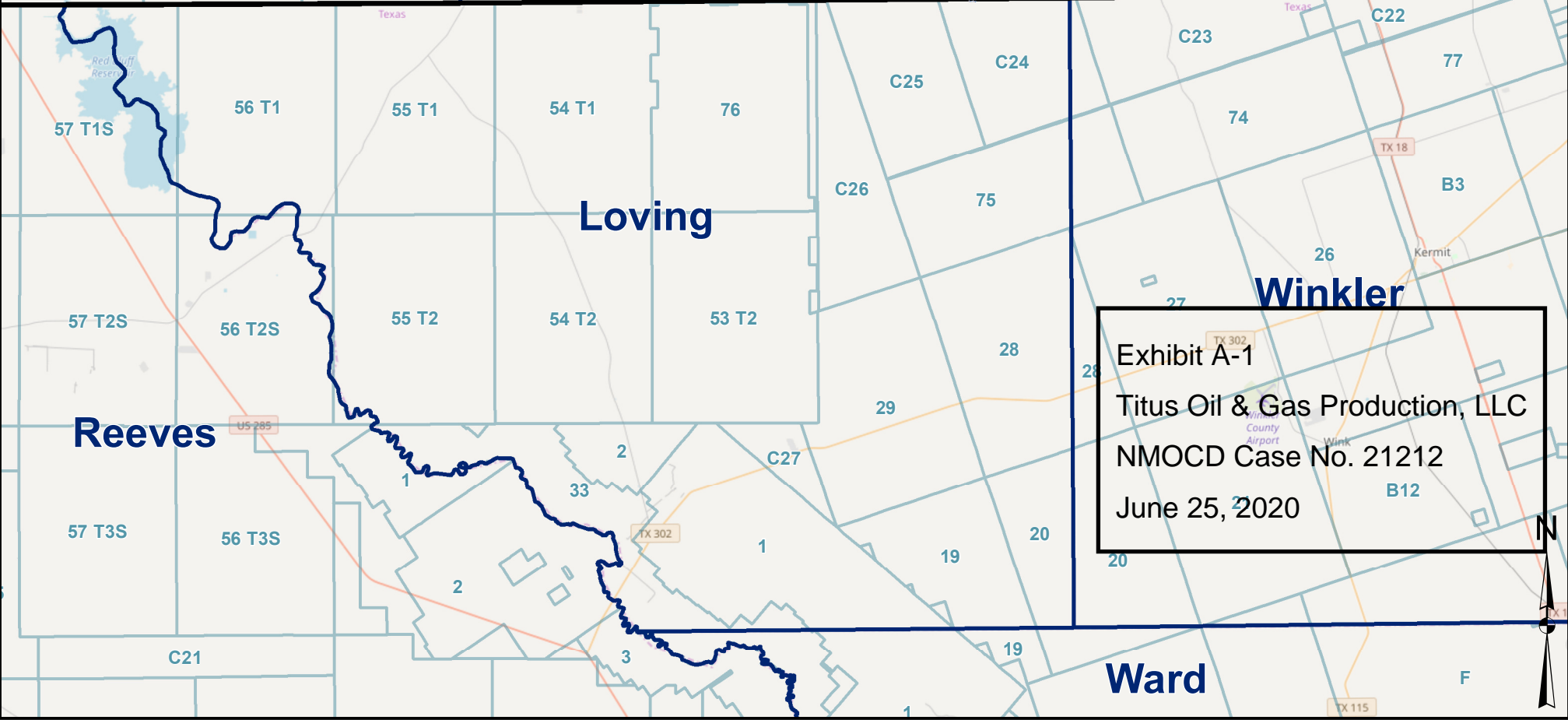
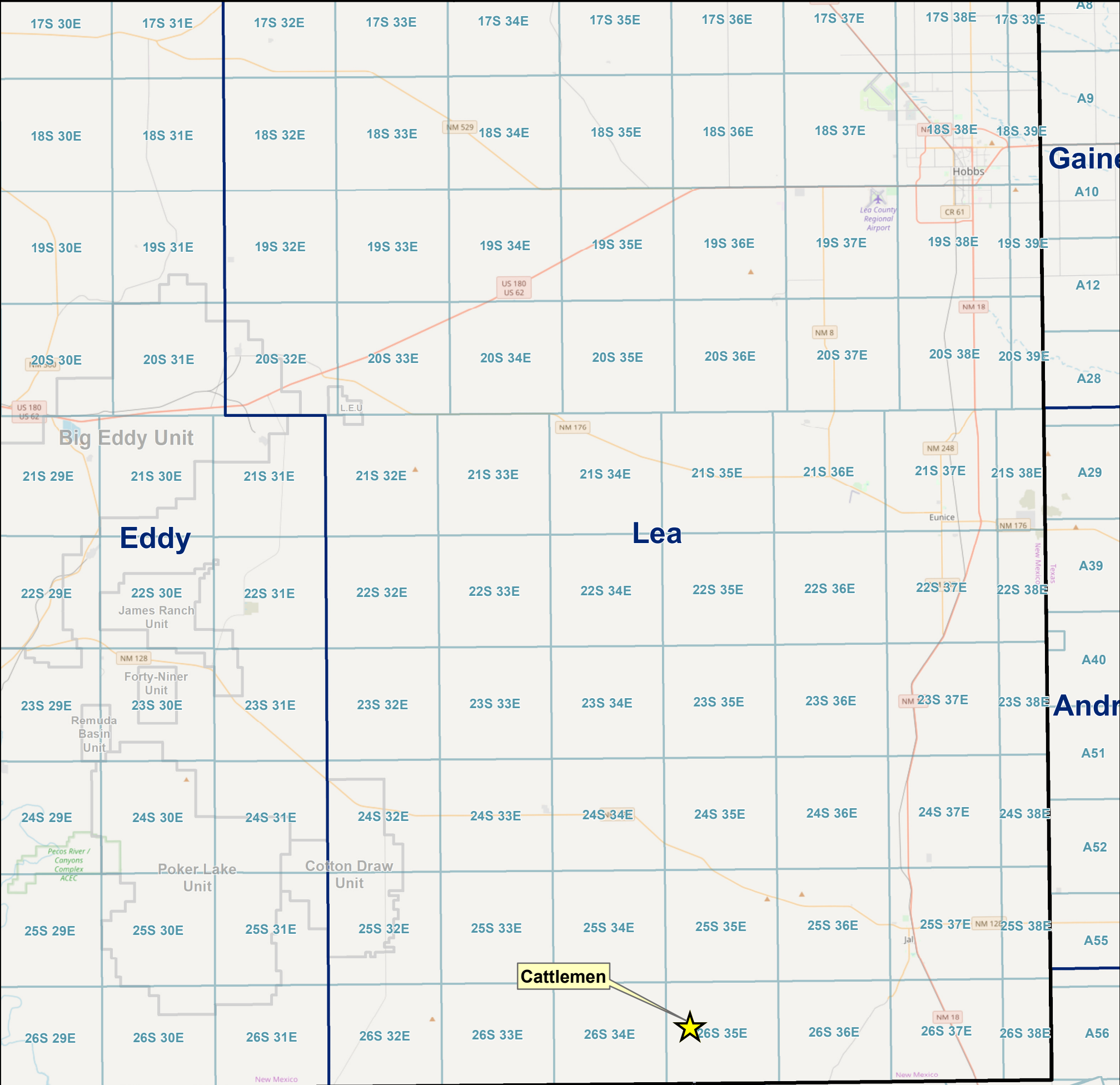
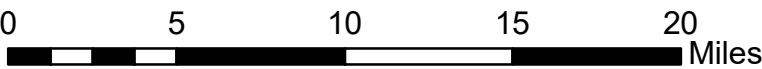
*Attorneys for Titus Oil & Gas Production, LLC*





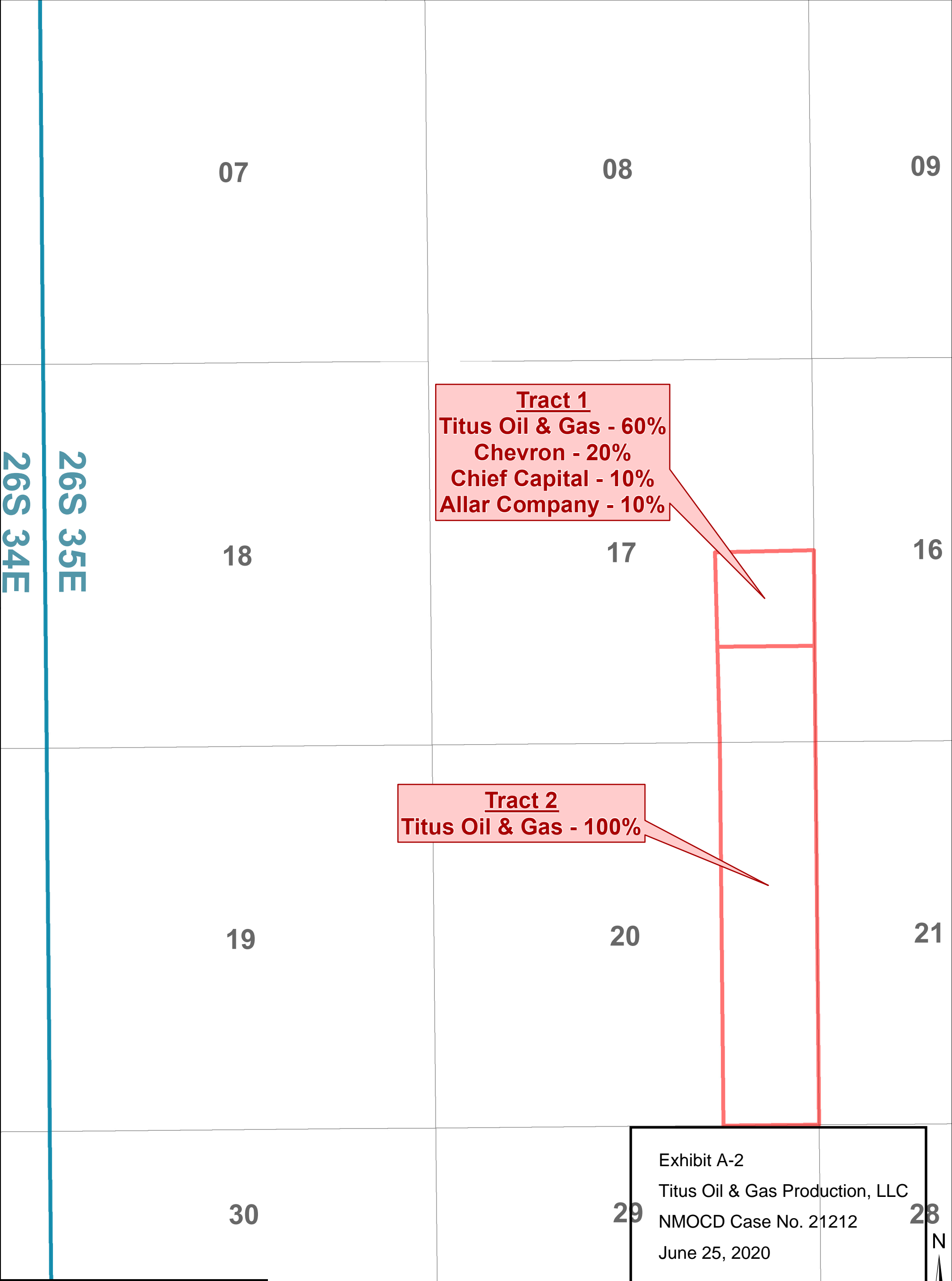
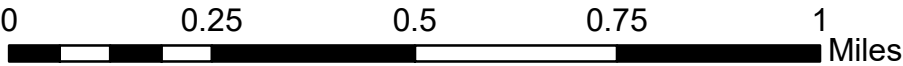
# Cattlemen - Delaware Basin

Lea County, New Mexico; T-26-S, R-35-E





TOG - Cattlemen - 21212  
Lea County, New Mexico; T-26-S, R-35-E



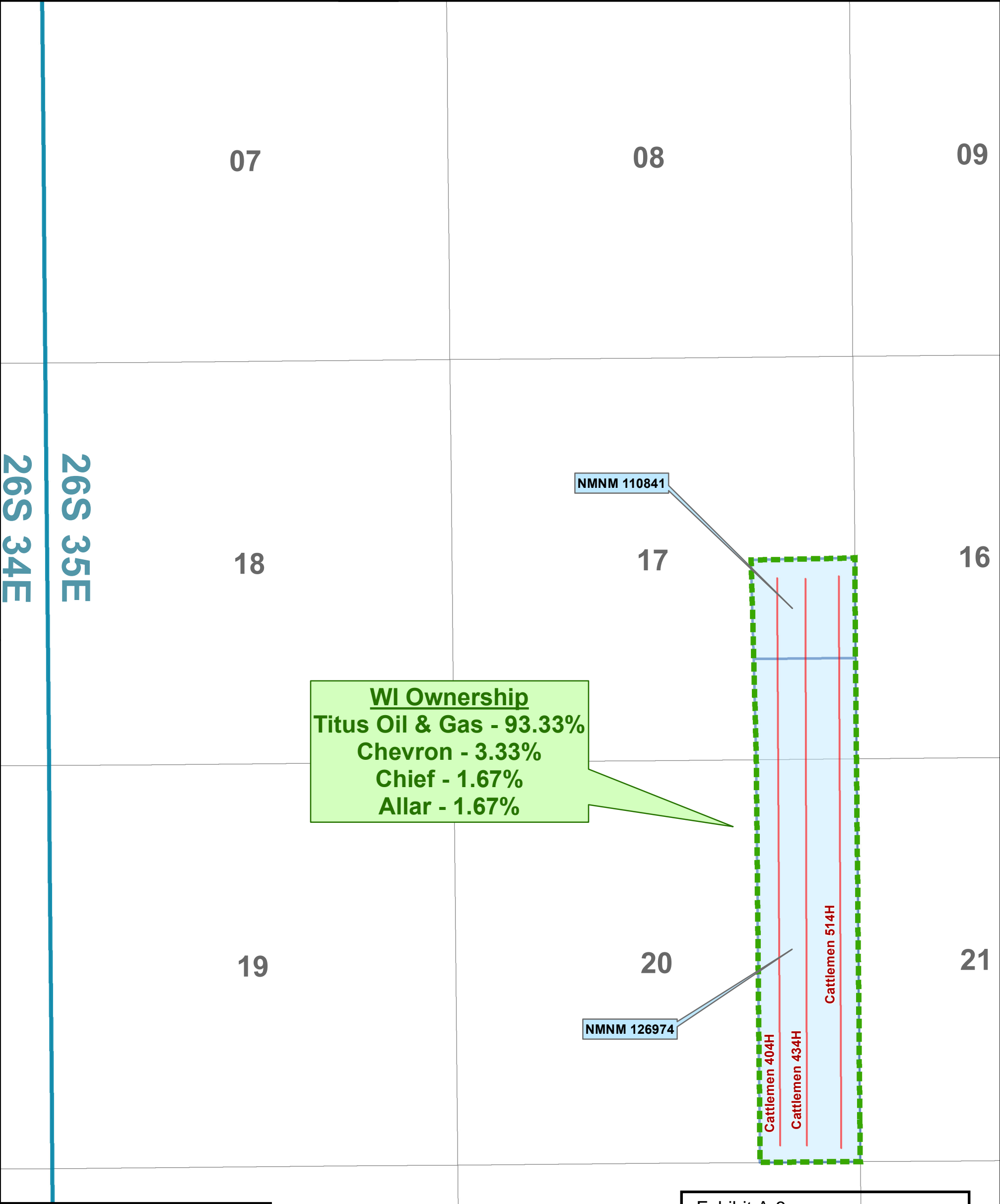
Tract 1  
Titus Oil & Gas - 60%  
Chevron - 20%  
Chief Capital - 10%  
Allar Company - 10%

Tract 2  
Titus Oil & Gas - 100%

Exhibit A-2  
Titus Oil & Gas Production, LLC  
NMOCD Case No. 21212  
June 25, 2020

 Cattlemen - 21212





**CONTRACT AREA:**

T26S-R35E  
Section 17: E/2 SE/2  
Section 20: E/2 E/2  
Lea County New Mexico, containing 240.00 acres, more or less.

**DEPTH RESTRICTIONS:**

All depths below the base of the Delaware formation.

**INTEREST OF THE PARTIES TO THIS AGREEMENT:**

Interest Owners	Working Interest
Titus Oil & Gas Production, LLC 420 Throckmorton Street, Suite 1150 Fort Worth, TX 76102 wjones@titusoil.com Attn: Land Department	93.33%
Chevron U.S.A., Inc. 1400 Smith Street Houston, Texas 77002	3.33%
Chief Capital (O&G) II, LLC 8111 Westchester, Suite 900 Dallas, TX 75225	1.67%
Allar Development LLC PO Box 1567 Graham, TX 76450	1.67%
Total:	100.0000%

**OIL AND GAS LEASES SUBJECT TO THIS AGREEMENT:**

Lessor: United States of America – USA NMNM 110841  
Lessee: Echo Production Inc.  
Date: September 1, 2003  
Description: NE/4 SE/4 of Section 17, T26S, R35E, NMPM  
Lea County, NM

Lessor: United States of America – USA NMNM 126974  
Lessee: Yates Petroleum, et al  
Date: September 1, 2011  
Description: SE/4 SE/4 of Section 17 &  
E/2 E/2 of Section 20, T26S, R35E, NMPM  
Lea County, NM

Exhibit A-4  
Titus Oil & Gas Production, LLC  
NMOCD Case No. 21212  
June 25, 2020

Contact	Type	Notes	Contact Info
Chevron	Emails and Phone Calls	<p>7/3/2019 - sent (now rescinded) well proposals covering a portion of the Lonesome Dove / Cattlemen acreage</p> <p>7/13/2019 - Titus provided a requested JOA covering the (now rescinded) well proposals for review</p> <p>8/19/2019 - Chevron provided comments to the proposed JOA. I advised that we are waiting on JOA comments from other parties</p> <p>10/24/2019 - Titus provided feedback to Chevron's JOA comments</p> <p>10/30/2019 - Chevron advised that their technical team will be reaching out for further discussion</p> <p>October/November 2019 - various discussions between technical teams took place via phone call</p> <p>January 2020 - After acquiring additional interest in the area, Titus rescinded its 7/3/2019 well proposals and proposed new wells (Cattlemen and Lonesome Dove) with different proration units</p> <p>3/9/2020 - Chevron reached out for drilling timing and Titus advised that it would continue to monitor the pricing environment and advise of any changes to its drill schedule. Titus asked if the previously provided JOA comments would be sufficient for these newly proposed wells</p> <p>3/10/2020 - Chevron advised that the previously provided comments are acceptable, with a couple of clarifications necessary</p> <p>4/14/2020 - Chevron reached out about possible trade discussions involving this acreage</p> <p>6/15/2020 - Chevron advised that their technical group would like to have additional conversations on the proposals</p> <p>June 2020 - Chevron and Titus continue to have ongoing conversations about trades and finalizing a JOA</p>	<p>Kristen Hunter</p> <p>Shalyce Holmes</p> <p>Chevron</p> <p>Land Representatives</p>
Chief Capital	Emails and Phone Calls	<p>7/3/2019 - sent (now rescinded) well proposals covering a portion of the Lonesome Dove / Cattlemen acreage</p> <p>August/September 2019 - conversations continued about JOA comments and there was an in-person meeting to discuss these proposals as wells as other interests</p> <p>11/13/2019 - Chief provided comments to the JOA</p> <p>1/3/2020 - Titus advised that it had acquired additional interest in the area and new well proposals would follow</p> <p>January 2020 - Titus rescinded its 7/3/2019 well proposals and proposed new wells (Cattlemen and Lonesome Dove) with different proration units</p> <p>1/21/2020 - Chief advised that its previously provided comments will apply to the JOA for the newly proposed wells</p> <p>1/21/2020 - Titus confirmed that it will be the same form of JOA</p> <p>4/21/2020 - Chief reached out for JOA and timing updates</p> <p>4/21/2020 - Titus updated Chief with the latest timing for development and JOA feedback</p> <p>June 2020 - Though a JOA has not been executed, it appears very likely once all parties have provided</p>	<p>Lacy Robertson</p> <p>Chief Capital</p> <p>Land Representative</p>
Allar Company	Emails and Phone Calls	<p>7/3/2019 - sent (now rescinded) well proposals covering a portion of the Lonesome Dove / Cattlemen acreage</p> <p>8/15/2019 - Titus reached out for feedback on the well proposals</p> <p>8/19/2019 - Titus reached out again for feedback on the well proposals</p> <p>8/20/2019 - Allar advised that their interests are usually force pooled</p> <p>January 2020 - After acquiring additional interest in the area, Titus rescinded its 7/3/2019 well proposals and proposed new wells (Cattlemen and Lonesome Dove) with different proration units</p> <p>2020 - Titus has not heard back from Allar and is proceeding with pooling</p>	<p>Win Graham</p> <p>Jack Graham</p> <p>Allar Company</p>

## Exhibit A-5

Titus Oil & Gas Production, LLC

NMOCD Case No. 21212

June 25, 2020

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
	98234	WC-025 G-09 S263619C; Wolfcamp
4 Property Code	5 Property Name	6 Well Number
	CATTLEMEN FED COM	404H
7 OGRID No.	8 Operator Name	9 Elevation
373986	TITUS OIL & GAS PRODUCTION LLC	3217'

10 Surface Location

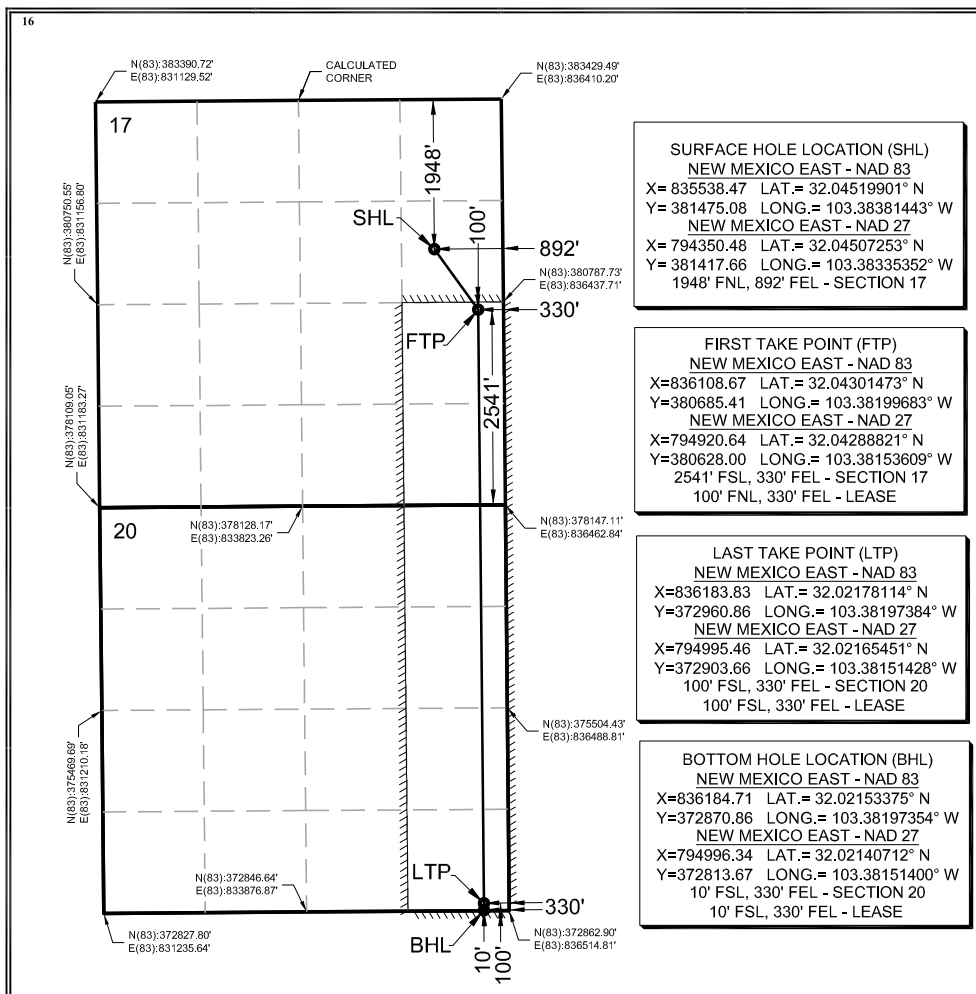
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	17	26-S	35-E		1948'	NORTH	892'	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	20	26-S	35-E		10'	SOUTH	330'	EAST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
240	Y		

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *[Signature]* Date: 1/21/2020

Ryan DeLong - Regulatory Manager  
Printed Name

rdelong@titusoil.com  
E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: *[Signature]*  
Signature and Seal of Professional Surveyor

Garrett J. Smelker  
NEW MEXICO  
25036  
01/15/2020  
PROFESSIONAL SURVEYOR

Certificate Number



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
	98234	WC-025 G-09 S263619C; Wolfcamp
4 Property Code	5 Property Name	6 Well Number
	CATTLEMEN FED COM	434H
7 OGRID No.	8 Operator Name	9 Elevation
373986	TITUS OIL & GAS PRODUCTION LLC	3218'

10 Surface Location

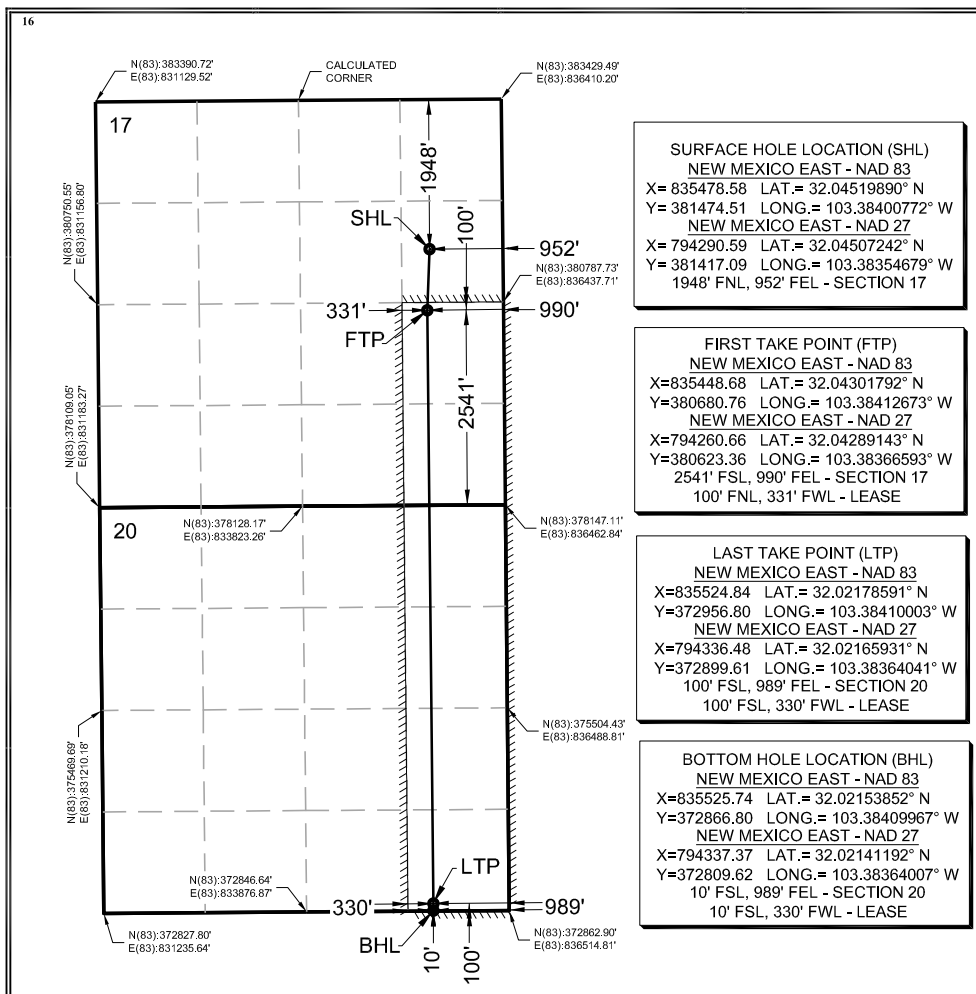
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	17	26-S	35-E		1948'	NORTH	952'	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	20	26-S	35-E		10'	SOUTH	989'	EAST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
240	Y		

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *[Signature]* Date: 1/21/2020

Ryan DeLong - Regulatory Manager  
Printed Name

rdelong@titusoil.com  
E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 01/15/2020  
Signature and Seal of Professional Surveyor: *[Signature]*

Certificate Number: 25036  
Garrett J. Smelker  
Professional Surveyor  
01/15/2020

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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1220 S. St. Francis Dr., Santa Fe, NM 87505  
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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
	98234	WC-025 G-09 S263619C; Wolfcamp
4 Property Code	5 Property Name	6 Well Number
	CATTLEMEN FED COM	514H
7 OGRID No.	8 Operator Name	9 Elevation
373986	TITUS OIL & GAS PRODUCTION LLC	3217'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	17	26-S	35-E		1948'	NORTH	922'	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	20	26-S	35-E		10'	SOUTH	530'	EAST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
240	Y		

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16

**SURFACE HOLE LOCATION (SHL)**  
NEW MEXICO EAST - NAD 83  
X= 835508.47 LAT.= 32.04519901° N  
Y= 381474.82 LONG.= 103.38391126° W  
NEW MEXICO EAST - NAD 27  
X= 794320.48 LAT.= 32.04507253° N  
Y= 381417.39 LONG.= 103.38345034° W  
1948' FNL, 922' FEL - SECTION 17

**FIRST TAKE POINT (FTP)**  
NEW MEXICO EAST - NAD 83  
X=835908.67 LAT.= 32.04301570° N  
Y=380684.00 LONG.= 103.38264226° W  
NEW MEXICO EAST - NAD 27  
X=794720.64 LAT.= 32.04288919° N  
Y=380626.60 LONG.= 103.38218150° W  
2541' FSL, 530' FEL - SECTION 17  
100' FNL, 530' FEL - LEASE

**LAST TAKE POINT (LTP)**  
NEW MEXICO EAST - NAD 83  
X=835983.83 LAT.= 32.02178259° N  
Y=372959.63 LONG.= 103.38261912° W  
NEW MEXICO EAST - NAD 27  
X=794795.47 LAT.= 32.02165597° N  
Y=372902.43 LONG.= 103.38215954° W  
100' FSL, 530' FEL - SECTION 20  
100' FSL, 530' FEL - LEASE

**BOTTOM HOLE LOCATION (BHL)**  
NEW MEXICO EAST - NAD 83  
X=835984.72 LAT.= 32.02153520° N  
Y=372869.63 LONG.= 103.38261881° W  
NEW MEXICO EAST - NAD 27  
X=794796.35 LAT.= 32.02140858° N  
Y=372812.44 LONG.= 103.38215925° W  
10' FSL, 530' FEL - SECTION 20  
10' FSL, 530' FEL - LEASE

**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *[Signature]* Date: 1/21/2020  
Ryan DeLong - Regulatory Manager  
Printed Name  
rdelong@titusoil.com  
E-mail Address

**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 01/15/2020  
Signature and Seal of Professional Surveyor: *[Signature]*  
Certificate Number: 25036



**Titus Oil & Gas Production, LLC**

420 Throckmorton Street, Suite 1150  
Fort Worth, Texas 76102

January 17, 2020

**Federal Express**

The Allar Company  
PO Box 1567  
Graham, TX 76450

RE: Cattlemen Fed Com 514H Well Proposal  
T26S-R35E  
Lea County, New Mexico

Dear Working Interest Owner,

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the Cattlemen Fed Com 514H ("Subject Well") to an approximate True Vertical Depth of 13,050' and an approximate Total Measured Depth of 20,970' in order to test the Wolfcamp formation. The proration unit will include the E2SE4 Section 17 & E2E2 Section 20, T26S-R35E, Lea County, New Mexico. **Please note that Titus hereby rescinds the well proposals dated July 3, 2019 for the El Campeon North 20-17 Fed #323H, #324H, #403H, #404H, #433H, #434H, #514H, #515H and #516H wells.**

The estimated cost of drilling, completing, and equipping the Subject Well is \$9,829,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 1948' FNL and 922' FEL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FSL and 530' FEL of Section 20, T26S-R35E. The Subject Well's first take point will be approximately 2540' FSL and 530' FEL of Section 17, T26S-R35E, and the last take point will be approximately 100' FSL and 530' FEL of Section 20, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: SE4 and Section 20: E2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 20%, proportionately reduced
- \$7,500 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined below.

Sincerely,



Walter P. Jones  
(817) 852-6875  
wjones@titusoil.com

Exhibit A-7

Titus Oil & Gas Production, LLC

NMOCD Case No. 21212

June 25, 2020

Please select one of the following and return:

\_\_\_\_\_ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 514H.

\_\_\_\_\_ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 514H.

\_\_\_\_\_ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

Allar Company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

<b>Well Name</b>	Cattlemen Fed Com 514H	<b>MD / TVD</b>	20,970'	13,050'
<b>Legal</b>	E2SE4 Section 17 & E2E2 Section 20, T26S-R35E	<b>Cty / State</b>	Lea	NM
<b>Formation</b>	Wolfcamp B	<b>Field</b>	Jabalina	

<b>INTANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Land/ Legal/ Regulatory/ Insurance	\$ 58,758	\$ -	\$ -	\$ -	\$ 58,758
Location/ Surveys/ Damages	\$ 241,560	\$ 3,850	\$ -	\$ -	\$ 245,410
Daywork Contract	\$ 788,661	\$ 336,910	\$ 24,936	\$ -	\$ 1,150,507
Mob / Trucking / Cranes/ Fork Lift	\$ 65,287	\$ 402,496	\$ 7,422	\$ 25,888	\$ 501,093
Fuel & Power	\$ 148,853	\$ 4,135	\$ -	\$ -	\$ 152,988
Directional Drilling Services	\$ 387,802	\$ -	\$ -	\$ -	\$ 387,802
Bits	\$ 126,656	\$ -	\$ -	\$ -	\$ 126,656
Mud & Chemicals	\$ 261,146	\$ -	\$ -	\$ -	\$ 261,146
Water	\$ 52,229	\$ 401,498	\$ -	\$ -	\$ 453,727
Disposal/ Closed Loop/ HES	\$ 195,860	\$ 21,957	\$ 104,111	\$ -	\$ 321,927
Cement/ Csg equip & services	\$ 346,019	\$ -	\$ -	\$ -	\$ 346,019
Rental - Surface	\$ 163,216	\$ 342,614	\$ 107,177	\$ -	\$ 613,007
Rental - Subsurface	\$ 97,930	\$ 65,300	\$ 13,726	\$ -	\$ 176,956
Company Supervision	\$ 18,019	\$ 30,797	\$ -	\$ -	\$ 48,816
Contract Supervision	\$ 130,038	\$ 111,353	\$ 8,678	\$ -	\$ 250,069
Geologic Evaluation	\$ 36,560	\$ 49,189	\$ -	\$ -	\$ 85,750
Perf & Wireline Services	\$ -	\$ 192,052	\$ 7,422	\$ -	\$ 199,474
Contract Labor	\$ 37,866	\$ 19,533	\$ 32,040	\$ 81,817	\$ 171,256
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 36,500	\$ 179,730	\$ -	\$ 216,230
Services Wellhead	\$ 15,669	\$ 56,888	\$ 5,710	\$ -	\$ 78,267
Stimulation	\$ -	\$ 1,613,121	\$ -	\$ -	\$ 1,613,121
Material Consumables	\$ -	\$ 544,931	\$ -	\$ -	\$ 544,931
Contingency	\$ -	\$ 211,585	\$ 24,548	\$ 5,385	\$ 241,518
<b>Total Intangibles</b>	<b>\$ 3,172,129</b>	<b>\$ 4,444,709</b>	<b>\$ 515,500</b>	<b>\$ 113,090</b>	<b>\$ 8,245,428</b>

<b>TANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Casing	\$ 813,470	\$ -	\$ -	\$ -	\$ 813,470
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 91,401	\$ 115,345	\$ 7,323	\$ -	\$ 214,069
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ 18,547
<b>Total Tangibles</b>	<b>\$ 904,871</b>	<b>\$ 115,345</b>	<b>\$ 157,663</b>	<b>\$ 405,693</b>	<b>\$ 1,583,572</b>
<b>Total DC&amp;E</b>	<b>\$ 4,077,000</b>	<b>\$ 4,560,054</b>	<b>\$ 673,163</b>	<b>\$ 518,783</b>	<b>\$ 9,829,000</b>

Non Operating Partner Approval

<b>Company:</b>	<b>By:</b>	<b>Date:</b>
	<b>Its:</b>	

**Titus Oil & Gas Production, LLC**

420 Throckmorton Street, Suite 1150  
Fort Worth, Texas 76102

January 17, 2020

**Federal Express**

The Allar Company  
PO Box 1567  
Graham, TX 76450

RE: Cattlemen Fed Com 434H Well Proposal  
T26S-R35E  
Lea County, New Mexico

Dear Working Interest Owner,

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the Cattlemen Fed Com 434H ("Subject Well") to an approximate True Vertical Depth of 12,760' and an approximate Total Measured Depth of 20,680' in order to test the Wolfcamp formation. The proration unit will include the E2SE4 Section 17 & E2E2 Section 20, T26S-R35E, Lea County, New Mexico. **Please note that Titus hereby rescinds the well proposals dated July 3, 2019 for the El Campeon North 20-17 Fed #323H, #324H, #403H, #404H, #433H, #434H, #514H, #515H and #516H wells.**

The estimated cost of drilling, completing, and equipping the Subject Well is \$9,644,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 1948' FNL and 952' FEL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FSL and 990' FEL of Section 20, T26S-R35E. The Subject Well's first take point will be approximately 2540' FSL and 990' FEL of Section 17, T26S-R35E, and the last take point will be approximately 100' FSL and 990' FEL of Section 20, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: SE4 and Section 20: E2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 20%, proportionately reduced
- \$7,500 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined below.

Sincerely,



Walter P. Jones  
(817) 852-6875  
wjones@titusoil.com

Please select one of the following and return:

\_\_\_\_\_ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 434H.

\_\_\_\_\_ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 434H.

\_\_\_\_\_ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

Allar Company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

<b>Well Name</b>	Cattlemen Fed Com 434H	<b>MD / TVD</b>	20,680'	12,760'
<b>Legal</b>	E2SE4 Section 17 & E2E2 Section 20, T26S-R35E	<b>Cty / State</b>	Lea	NM
<b>Formation</b>	Wolfcamp A	<b>Field</b>	Jabalina	

<b>INTANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Land/ Legal/ Regulatory/ Insurance	\$ 58,614	\$ -	\$ -	\$ -	\$ 58,614
Location/ Surveys/ Damages	\$ 240,968	\$ 3,702	\$ -	\$ -	\$ 244,670
Daywork Contract	\$ 786,727	\$ 323,981	\$ 24,936	\$ -	\$ 1,135,643
Mob / Trucking / Cranes/ Fork Lift	\$ 65,126	\$ 387,050	\$ 7,422	\$ 25,888	\$ 485,486
Fuel & Power	\$ 148,488	\$ 3,976	\$ -	\$ -	\$ 152,464
Directional Drilling Services	\$ 386,851	\$ -	\$ -	\$ -	\$ 386,851
Bits	\$ 126,345	\$ -	\$ -	\$ -	\$ 126,345
Mud & Chemicals	\$ 260,506	\$ -	\$ -	\$ -	\$ 260,506
Water	\$ 52,101	\$ 386,090	\$ -	\$ -	\$ 438,191
Disposal/ Closed Loop/ HES	\$ 195,379	\$ 21,114	\$ 104,111	\$ -	\$ 320,604
Cement/ Csg equip & services	\$ 345,170	\$ -	\$ -	\$ -	\$ 345,170
Rental - Surface	\$ 162,816	\$ 329,465	\$ 107,177	\$ -	\$ 599,458
Rental - Subsurface	\$ 97,690	\$ 62,794	\$ 13,726	\$ -	\$ 174,210
Company Supervision	\$ 17,975	\$ 29,615	\$ -	\$ -	\$ 47,590
Contract Supervision	\$ 129,719	\$ 107,080	\$ 8,678	\$ -	\$ 245,477
Geologic Evaluation	\$ 36,471	\$ 47,301	\$ -	\$ -	\$ 83,772
Perf & Wireline Services	\$ -	\$ 184,681	\$ 7,422	\$ -	\$ 192,104
Contract Labor	\$ 37,773	\$ 18,783	\$ 32,040	\$ 81,817	\$ 170,414
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 35,099	\$ 179,730	\$ -	\$ 214,829
Services Wellhead	\$ 15,630	\$ 54,705	\$ 5,710	\$ -	\$ 76,045
Stimulation	\$ -	\$ 1,551,215	\$ -	\$ -	\$ 1,551,215
Material Consumables	\$ -	\$ 524,018	\$ -	\$ -	\$ 524,018
Contingency	\$ -	\$ 203,465	\$ 24,548	\$ 5,385	\$ 233,398
<b>Total Intangibles</b>	<b>\$ 3,164,348</b>	<b>\$ 4,274,135</b>	<b>\$ 515,500</b>	<b>\$ 113,090</b>	<b>\$ 8,067,074</b>

<b>TANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Casing	\$ 811,475	\$ -	\$ -	\$ -	\$ 811,475
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 91,177	\$ 110,919	\$ 7,323	\$ -	\$ 209,419
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ 18,547
<b>Total Tangibles</b>	<b>\$ 902,652</b>	<b>\$ 110,919</b>	<b>\$ 157,663</b>	<b>\$ 405,693</b>	<b>\$ 1,576,926</b>
<b>Total DC&amp;E</b>	<b>\$ 4,067,000</b>	<b>\$ 4,385,054</b>	<b>\$ 673,163</b>	<b>\$ 518,783</b>	<b>\$ 9,644,000</b>

Non Operating Partner Approval

Company:	By:	Date:
	Its:	

**Titus Oil & Gas Production, LLC**

420 Throckmorton Street, Suite 1150  
Fort Worth, Texas 76102

January 17, 2020

**Federal Express**

The Allar Company  
PO Box 1567  
Graham, TX 76450

RE: Cattlemen Fed Com 404H Well Proposal  
T26S-R35E  
Lea County, New Mexico

Dear Working Interest Owner,

Titus Oil & Gas Production, LLC ("Titus"), as Operator, hereby proposes the drilling of the Cattlemen Fed Com 404H ("Subject Well") to an approximate True Vertical Depth of 12,600' and an approximate Total Measured Depth of 20,520' in order to test the Wolfcamp formation. The proration unit will include the E2SE4 Section 17 & E2E2 Section 20, T26S-R35E, Lea County, New Mexico. **Please note that Titus hereby rescinds the well proposals dated July 3, 2019 for the El Campeon North 20-17 Fed #323H, #324H, #403H, #404H, #433H, #434H, #514H, #515H and #516H wells.**

The estimated cost of drilling, completing, and equipping the Subject Well is \$9,644,000, as itemized on the enclosed Authorization for Expenditure ("AFE"), dated January 6, 2020. The Subject Well's surface location will be located approximately 1948' FNL and 892' FEL of Section 17, T26S-R35E. The Subject Well's bottom-hole location will be approximately 10' FSL and 330' FEL of Section 20, T26S-R35E. The Subject Well's first take point will be approximately 2540' FSL and 330' FEL of Section 17, T26S-R35E, and the last take point will be approximately 100' FSL and 330' FEL of Section 20, T26S-R35E. The proposed location and drilling plans described above are subject to change if surface or subsurface issues are encountered which necessitate a change.

In the event you elect to participate in the proposed well, please execute the enclosed AFE and return to Titus within 30 days. Titus proposes the drilling of the well under the terms of a modified AAPL Form 610-1989H Operating Agreement ("JOA"), which is available for your review upon request. The proposed JOA will cover all depths of Section 17: SE4 and Section 20: E2 of T26S-R35E, Lea County, New Mexico. If you would prefer a single well JOA that is also available upon request.

If you do not wish to participate in the drilling of the well, Titus would like to offer the following terms:

- Term Assignment, 3-year primary term
- Overriding Royalty equal to the difference between existing burdens and 20%, proportionately reduced
- \$7,500 per net acre bonus consideration

Titus is also willing to discuss possible trades or other deal structures related to your interest in the Subject Well and the JOA. If an agreement has not been reached within 30 days from the date of this letter, Titus reserves the right to apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest.

Should you have any questions, please feel free to contact the undersigned at the contact information outlined below.

Sincerely,



Walter P. Jones  
(817) 852-6875  
wjones@titusoil.com

Please select one of the following and return:

\_\_\_\_\_ I/We hereby elect to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 404H.

\_\_\_\_\_ I/We hereby elect **NOT** to participate for our proportionate share of the costs detailed in the enclosed AFE associated with the drilling and completion of the Cattlemen Fed Com 404H.

\_\_\_\_\_ I/We are interested in selling, trading, or farming out our interest, please contact us to discuss further.

Allar Company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**Titus Oil & Gas Production, LLC**

Proposed Authorization for Expenditure.

Prepared by: Smith / Hinkel

Date Prepared: 1/6/2020

<b>Well Name</b>	Cattlemen Fed Com 404H	<b>MD / TVD</b>	20,520'	12,600'
<b>Legal</b>	E2SE4 Section 17 & E2E2 Section 20, T26S-R35E	<b>Cty / State</b>	Lea	NM
<b>Formation</b>	Wolfcamp X/Y	<b>Field</b>	Jabalina	

<b>INTANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Land/ Legal/ Regulatory/ Insurance	\$ 58,614	\$ -	\$ -	\$ -	\$ 58,614
Location/ Surveys/ Damages	\$ 240,968	\$ 3,702	\$ -	\$ -	\$ 244,670
Daywork Contract	\$ 786,727	\$ 323,981	\$ 24,936	\$ -	\$ 1,135,643
Mob / Trucking / Cranes/ Fork Lift	\$ 65,126	\$ 387,050	\$ 7,422	\$ 25,888	\$ 485,486
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Directional Drilling Services	\$ 386,851	\$ -	\$ -	\$ -	\$ 386,851
Bits	\$ 126,345	\$ -	\$ -	\$ -	\$ 126,345
Mud & Chemicals	\$ 260,506	\$ -	\$ -	\$ -	\$ 260,506
Water	\$ 52,101	\$ 386,090	\$ -	\$ -	\$ 438,191
Disposal/ Closed Loop/ HES	\$ 195,379	\$ 21,114	\$ 104,111	\$ -	\$ 320,604
Cement/ Csg equip & services	\$ 345,170	\$ -	\$ -	\$ -	\$ 345,170
Rental - Surface	\$ 162,816	\$ 329,465	\$ 107,177	\$ -	\$ 599,458
Rental - Subsurface	\$ 97,690	\$ 62,794	\$ 13,726	\$ -	\$ 174,210
Company Supervision	\$ 17,975	\$ 29,615	\$ -	\$ -	\$ 47,590
Contract Supervision	\$ 129,719	\$ 107,080	\$ 8,678	\$ -	\$ 245,477
Geologic Evaluation	\$ 36,471	\$ 47,301	\$ -	\$ -	\$ 83,772
Perf & Wireline Services	\$ -	\$ 184,681	\$ 7,422	\$ -	\$ 192,104
Contract Labor	\$ 37,773	\$ 18,783	\$ 32,040	\$ 81,817	\$ 170,414
Plugging & Abandonment	\$ -	\$ -	\$ -	\$ -	\$ -
Fluid Hauling	\$ -	\$ 35,099	\$ 179,730	\$ -	\$ 214,829
Services Wellhead	\$ 15,630	\$ 54,705	\$ 5,710	\$ -	\$ 76,045
Stimulation	\$ -	\$ 1,551,215	\$ -	\$ -	\$ 1,551,215
Material Consumables	\$ -	\$ 524,018	\$ -	\$ -	\$ 524,018
Contingency	\$ -	\$ 203,465	\$ 24,548	\$ 5,385	\$ 233,398
<b>Total Intangibles</b>	<b>\$ 3,164,348</b>	<b>\$ 4,274,135</b>	<b>\$ 515,500</b>	<b>\$ 113,090</b>	<b>\$ 8,067,074</b>

<b>TANGIBLE COSTS</b>	<b>DRILL</b>	<b>COMPL</b>	<b>PROD</b>	<b>FAC</b>	<b>TOTAL</b>
Casing	\$ 811,475	\$ -	\$ -	\$ -	\$ 811,475
Material Tubing and Accs	\$ -	\$ -	\$ 39,967	\$ -	\$ 39,967
Wellhead & Production Tree	\$ 91,177	\$ 110,919	\$ 7,323	\$ -	\$ 209,419
Material Subsurface Lift Equipment	\$ -	\$ -	\$ 66,231	\$ -	\$ 66,231
Packers, Liner Hangers	\$ -	\$ -	\$ -	\$ -	\$ -
Material Surface Other	\$ -	\$ -	\$ 9,220	\$ -	\$ 9,220
Compressor	\$ -	\$ -	\$ 34,923	\$ -	\$ 34,923
Tanks	\$ -	\$ -	\$ -	\$ 156,693	\$ 156,693
Production Vessels	\$ -	\$ -	\$ -	\$ 52,231	\$ 52,231
Gas Conditioning/ Dehydration	\$ -	\$ -	\$ -	\$ -	\$ -
Flow Lines	\$ -	\$ -	\$ -	\$ 112,568	\$ 112,568
Valves, Dumps, Controllers	\$ -	\$ -	\$ -	\$ 9,193	\$ 9,193
Electrical / Grounding	\$ -	\$ -	\$ -	\$ 15,669	\$ 15,669
Flares/Combustion/Emission	\$ -	\$ -	\$ -	\$ 12,065	\$ 12,065
Communications	\$ -	\$ -	\$ -	\$ 28,727	\$ 28,727
Meters/LACT/Instrumentation	\$ -	\$ -	\$ -	\$ 18,547	\$ 18,547
<b>Total Tangibles</b>	<b>\$ 902,652</b>	<b>\$ 110,919</b>	<b>\$ 157,663</b>	<b>\$ 405,693</b>	<b>\$ 1,576,926</b>
<b>Total DC&amp;E</b>	<b>\$ 4,067,000</b>	<b>\$ 4,385,054</b>	<b>\$ 673,163</b>	<b>\$ 518,783</b>	<b>\$ 9,644,000</b>

Non Operating Partner Approval

<b>Company:</b>	<b>By:</b>	<b>Date:</b>
	<b>Its:</b>	



**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 13, 2020

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

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

**Re:** Case No. **21210** – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 323H**

Case No. **21211** – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 403H and 513H**

Case No. **21212** – Application of Titus Oil & Gas Production, LLC, for Compulsory Pooling, Lea County, New Mexico – **Cattlemen Fed Com 404H, 434H and 514H**

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Titus Oil & Gas Production, LLC ("Titus") has filed five (5) Applications with the New Mexico Oil Conservation Division for orders regarding the proposed wells described below. You are receiving this notice because you may have an interest in one or more of these wells.

**Case No. 21210: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Bone Spring (Oil) 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 W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following well: **Cattlemen Fed Com 323H** well, to be horizontally drilled from an approximate surface hole location 2077' FNL and 1912' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10'

**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289  
Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

Exhibit A-8

Titus Oil & Gas Production, LLC

NMOCD Case No. 21212

June 25, 2020

FSL and 1650' FEL of Section 20, T26S-R35E. The completed interval and first and last take points for this well 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 well and lands are located approximately 13 miles southwest of Jal, New Mexico.

**Case No. 21211: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 403H** well, to be horizontally drilled from an approximate surface hole location 2077' FNL and 1972' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 2310' FEL of Section 20, T26S-R35E, and (2) **Cattlemen Fed Com 513H** well, to be horizontally drilled from an approximate surface hole location 2077' FNL and 1942' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 1870' FEL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells 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 13 miles southwest of Jal, New Mexico.

**Case No. 21212: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 SE/4 of Section 17 and the E/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 892' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 330' FEL of Section 20, T26S-R35E, (2) **Cattlemen Fed Com 434H** well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 952' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 989' FEL of

All Interest Owners  
March 13, 2020  
Page 3

Section 20, T26S-R35E, and (3) **Cattlemen Fed Com 514H** well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 922' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 530' FEL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells 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 13 miles southwest of Jal, New Mexico.

The attached Applications will be set for hearing before a Division Examiner **on April 2, 2020, at 8:15 a.m.** at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. 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 and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **March 26, 2020**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about these Applications.

Very truly yours,



Sharon T. Shaheen

STS/lt

Enclosures

cc: Titus Oil & Gas Production, LLC, *via email*

## **EXHIBIT A**

### **INTEREST OWNERS**

#### **Working Interest Parties:**

Allar Company  
P. O. Box 1567  
Graham, TX 76450

Chevron U.S.A., Inc.  
1400 Smith Street  
Houston, TX 77002

Chief Capital (O&G) II LLC  
8111 Westchester, Suite 900  
Dallas, TX 75225

#### **Additional Interested Party:**

Bureau of Land Management  
414 W. Taylor  
Hobbs, NM 88240-1157

State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

Wolfcamp Pooling

E2 E2

CASE NO. 21212

# Summary

## Wolfcamp Pooling – Lea County, New Mexico

Titus Oil & Gas Production, LLC (“Titus”) seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 SE/4 of Section 17 and the E/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 1948’ FNL and 892’ FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 330’ FEL of Section 20, T26S-R35E, (2) **Cattlemen Fed Com 434H** well, to be horizontally drilled from an approximate surface hole location 1948’ FNL and 952’ FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 989’ FEL of Section 20, T26S-R35E, and (3) **Cattlemen Fed Com 514H** well, to be horizontally drilled from an approximate surface hole location 1948’ FNL and 922’ FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10’ FSL and 530’ FEL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells will meet statewide setback requirements for horizontal wells. **The Cattlemen Fed Com 404H** will target the Wolfcamp XY Sands at an approximate True Vertical Depth of 12,600’. **The Cattlemen Fed Com 434H** will target the Wolfcamp A Shale at an approximate True Vertical Depth of 12,760’. **The Cattlemen Fed Com 514H** will target the Wolfcamp B Shale at an approximate True Vertical Depth of 13,050’.

The well will be drilled from north-to-south for a couple of reasons. Published literature related to the maximum horizontal stress in this part of the Delaware Basin supports a near east-to-west orientation; thus, preferred drilling orientation is orthogonal to this in order to complete a more successful stimulation. Also, this aligns with the remainder of Titus’ planned development in the adjoining tracts, and therefore, doesn’t strand any acreage or reserves.

No depth severances apply.

See attached exhibits for spacing unit schematic, gunbarrel/lateral trajectory schematic, and horizontal spacing unit cross-section.

Exhibit B-1

Titus Oil & Gas Production, LLC

June 25, 2020

# Locator Map

With Cross-Section



Pooling outline

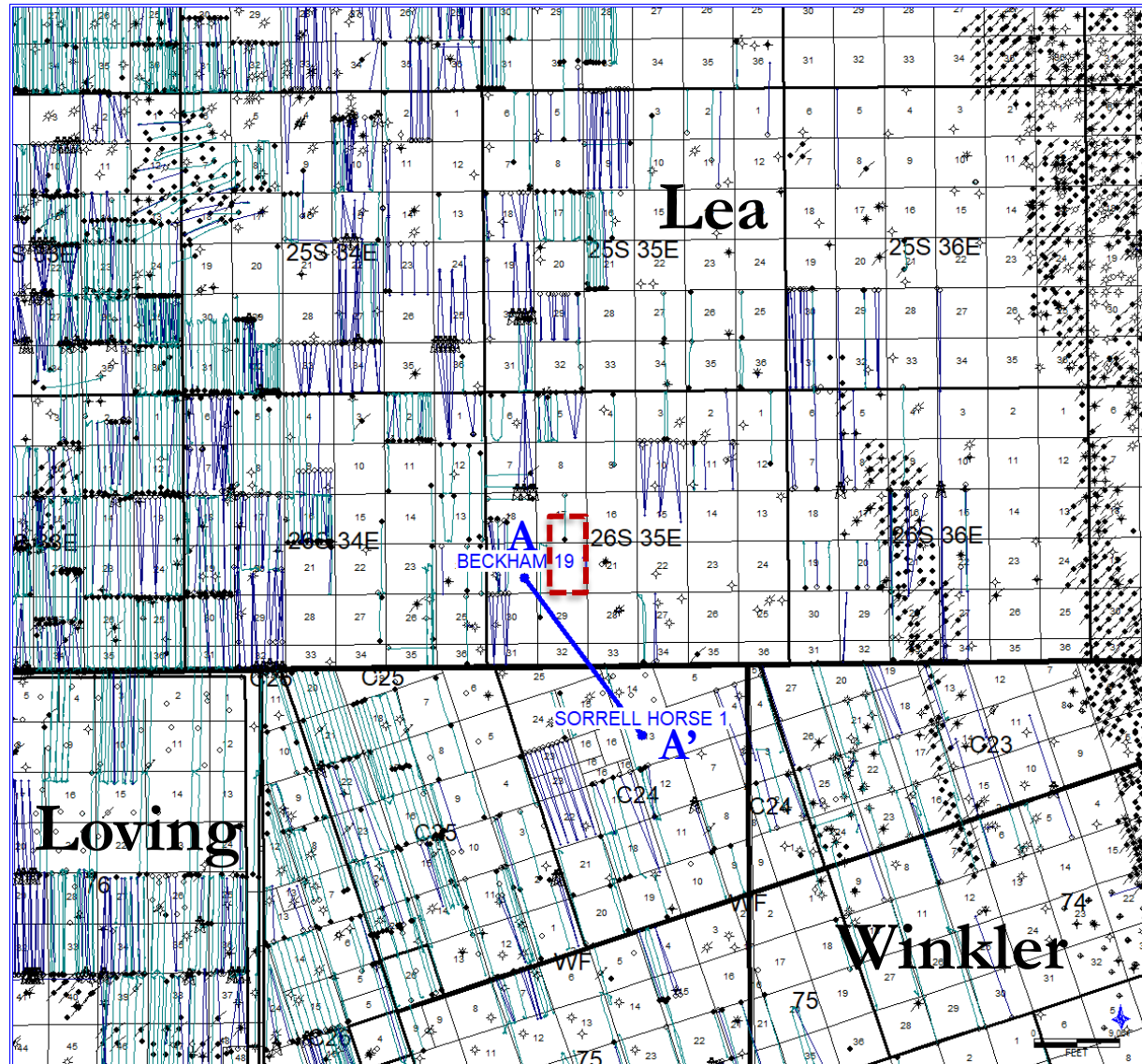


Cross-Section  
line

Exhibit B-2

Titus Oil & Gas Production

June 25, 2020





# Spacing Unit Schematic

With Approximate Well Location






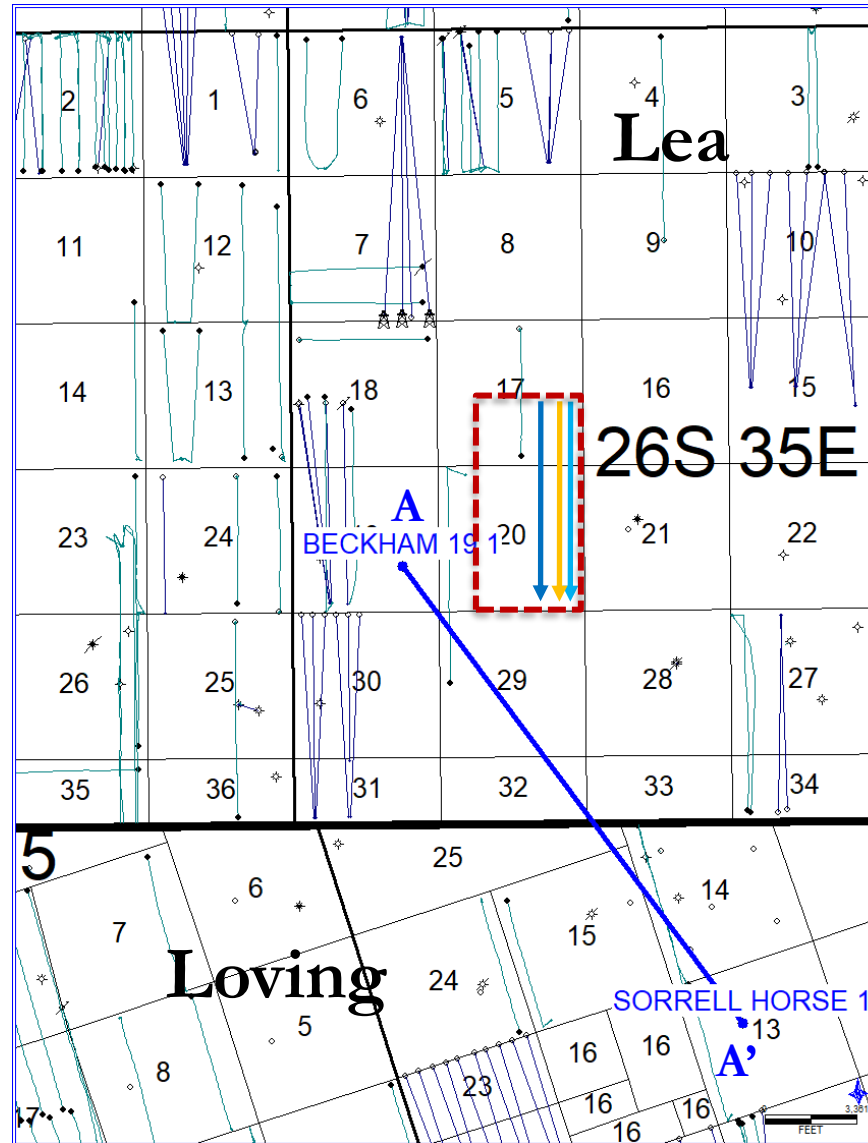
-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed Com 404H Wellbore
-  Cattlemen Fed Com 434H Wellbore
-  Cattlemen Fed Com 514H Wellbore

Exhibit B-3

Titus Oil & Gas Production, LLC

June 25, 2020



# Wolfcamp Structure Map

Contour Interval: 50 ft.

Subsea Depth

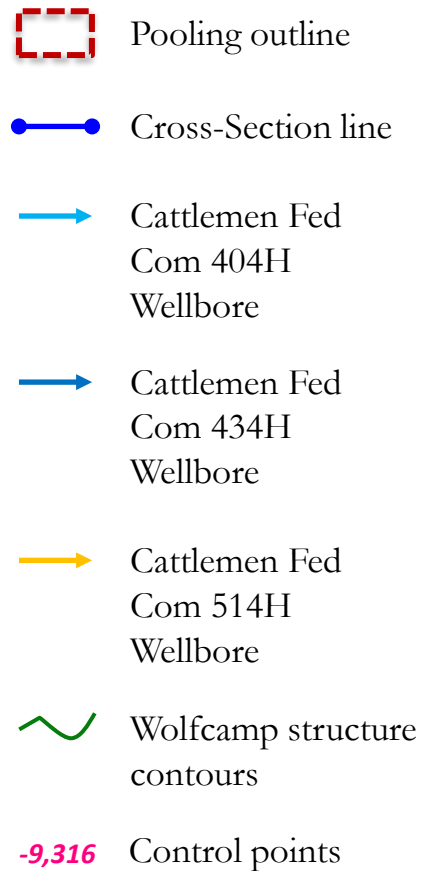
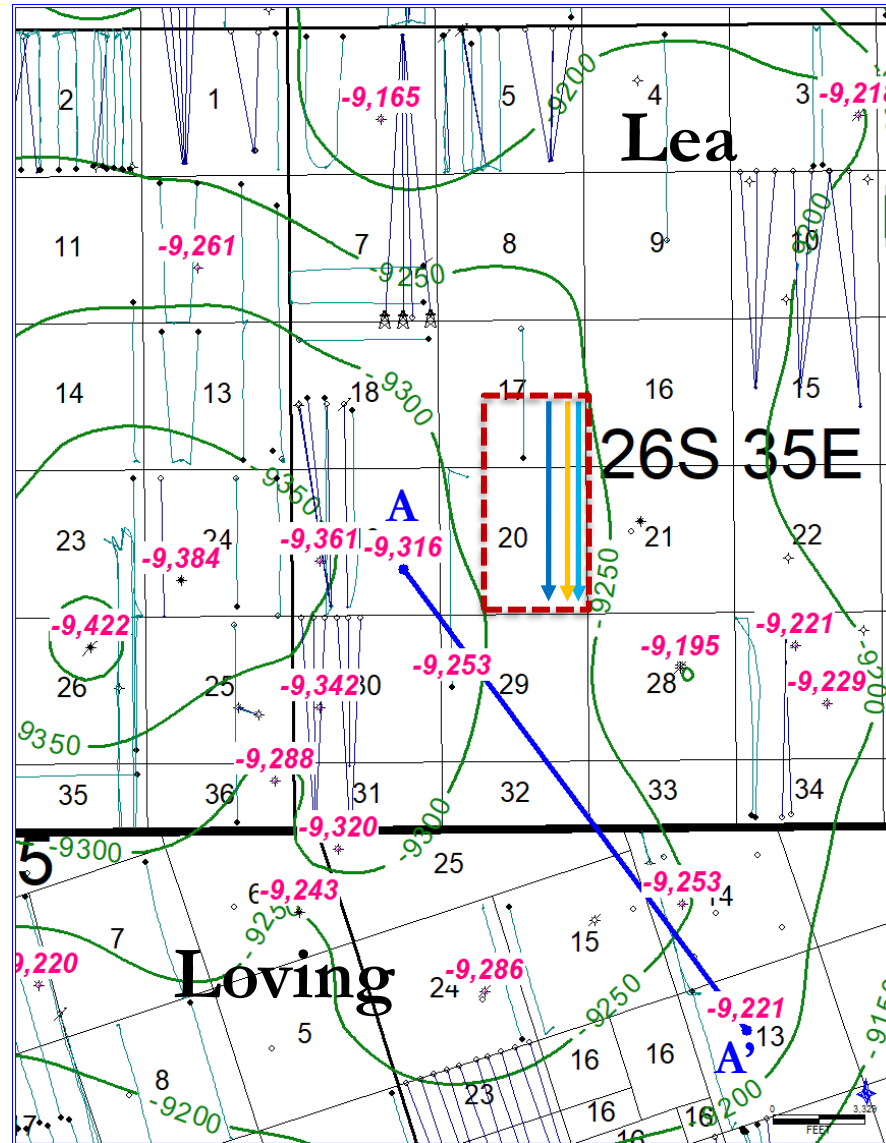


Exhibit B-4






Titus Oil & Gas Production, LLC

June 25, 2020



# Wolfcamp XY Isopach Map

Contour Interval: 10 ft.

-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed  
Com 404H  
Wellbore
-  Wolfcamp isopach  
contours
-  Control points

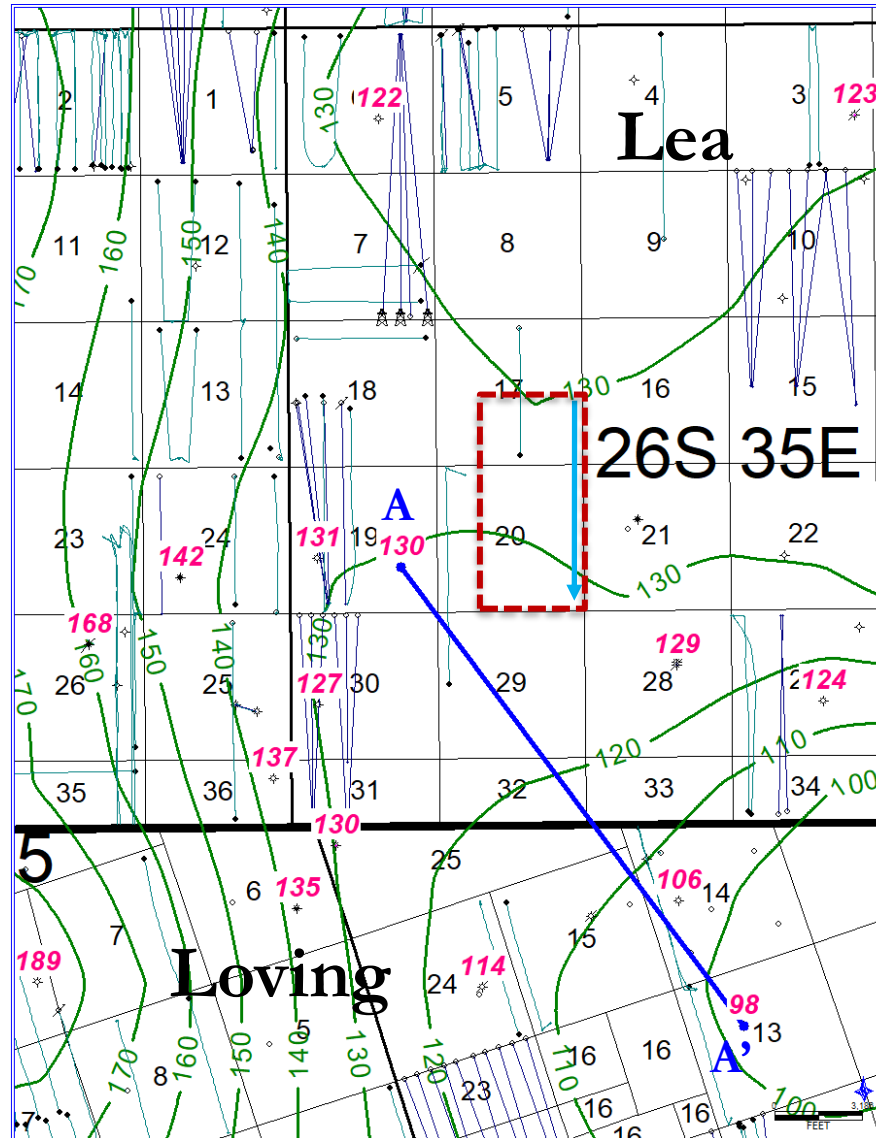







Exhibit B-5

Titus Oil & Gas Production, LLC

June 25, 2020

# Wolfcamp A Isopach Map

Contour Interval: 10 ft.

-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed  
Com 434H  
Wellbore
-  Wolfcamp isopach  
contours
-  300 Control points

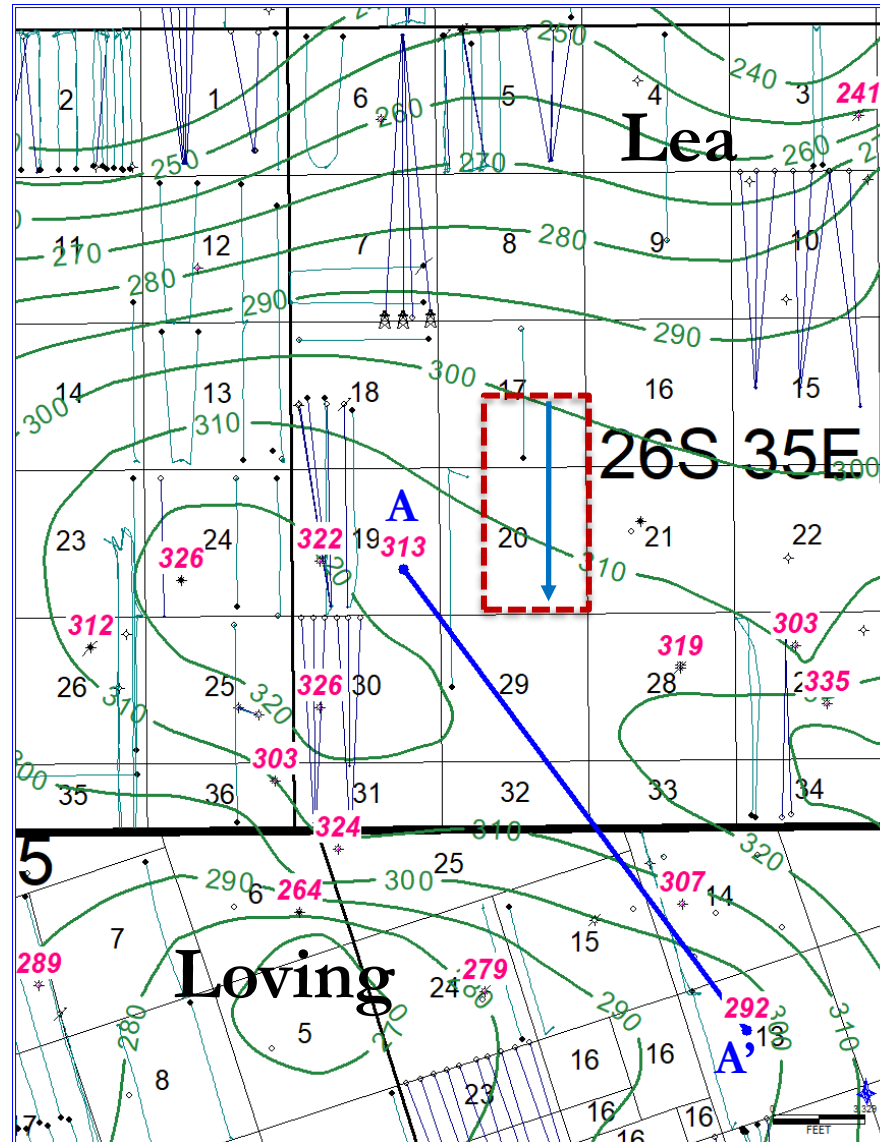







Exhibit B-5

Titus Oil & Gas Production, LLC

June 25, 2020

# Wolfcamp B Isopach Map

Contour Interval: 10 ft.

-  Pooling outline
-  Cross-Section line
-  Cattlemen Fed  
Com 514H  
Wellbore
-  Wolfcamp isopach  
contours
-  Control points

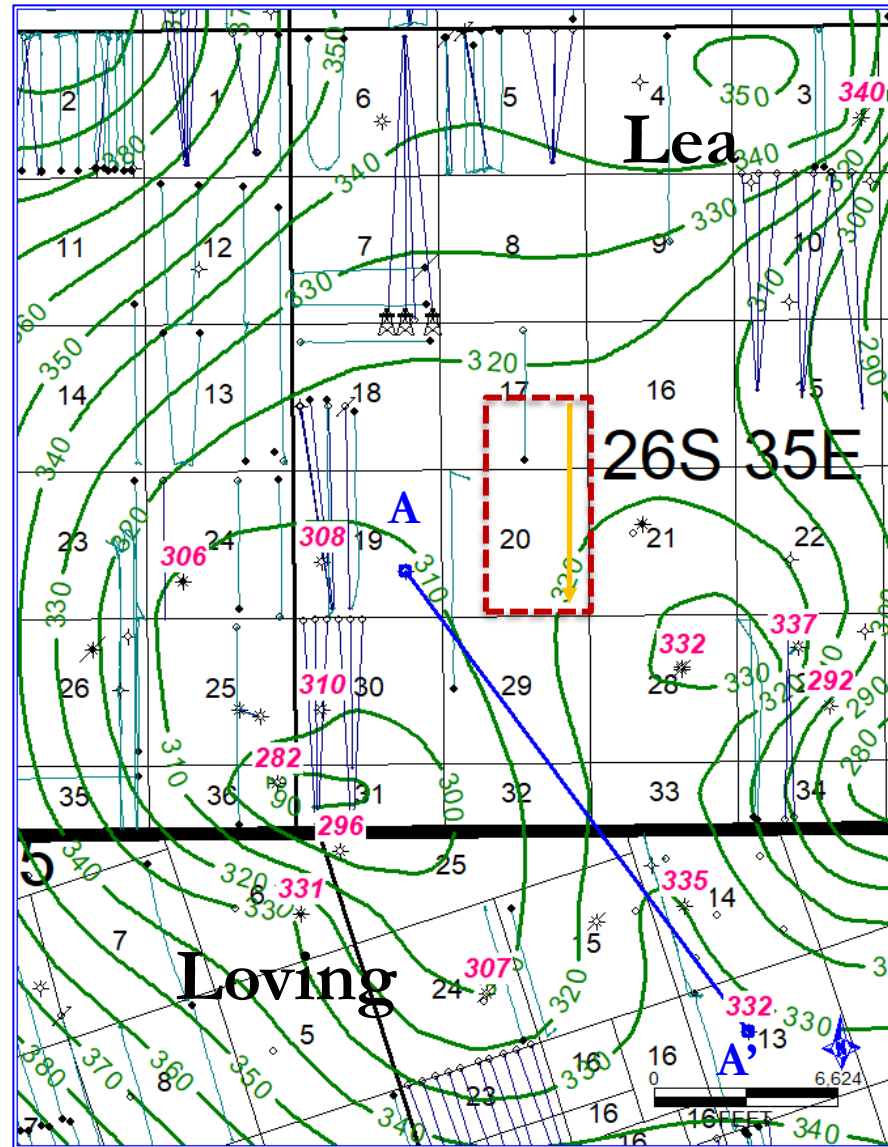


Exhibit B-5  
Titus Oil & Gas Production, LLC  
June 25, 2020

# HSU Cross-Section

## Petrophysical Logs Support Wolfcamp XY Sands, A & B Shale Targets / Landing Zones

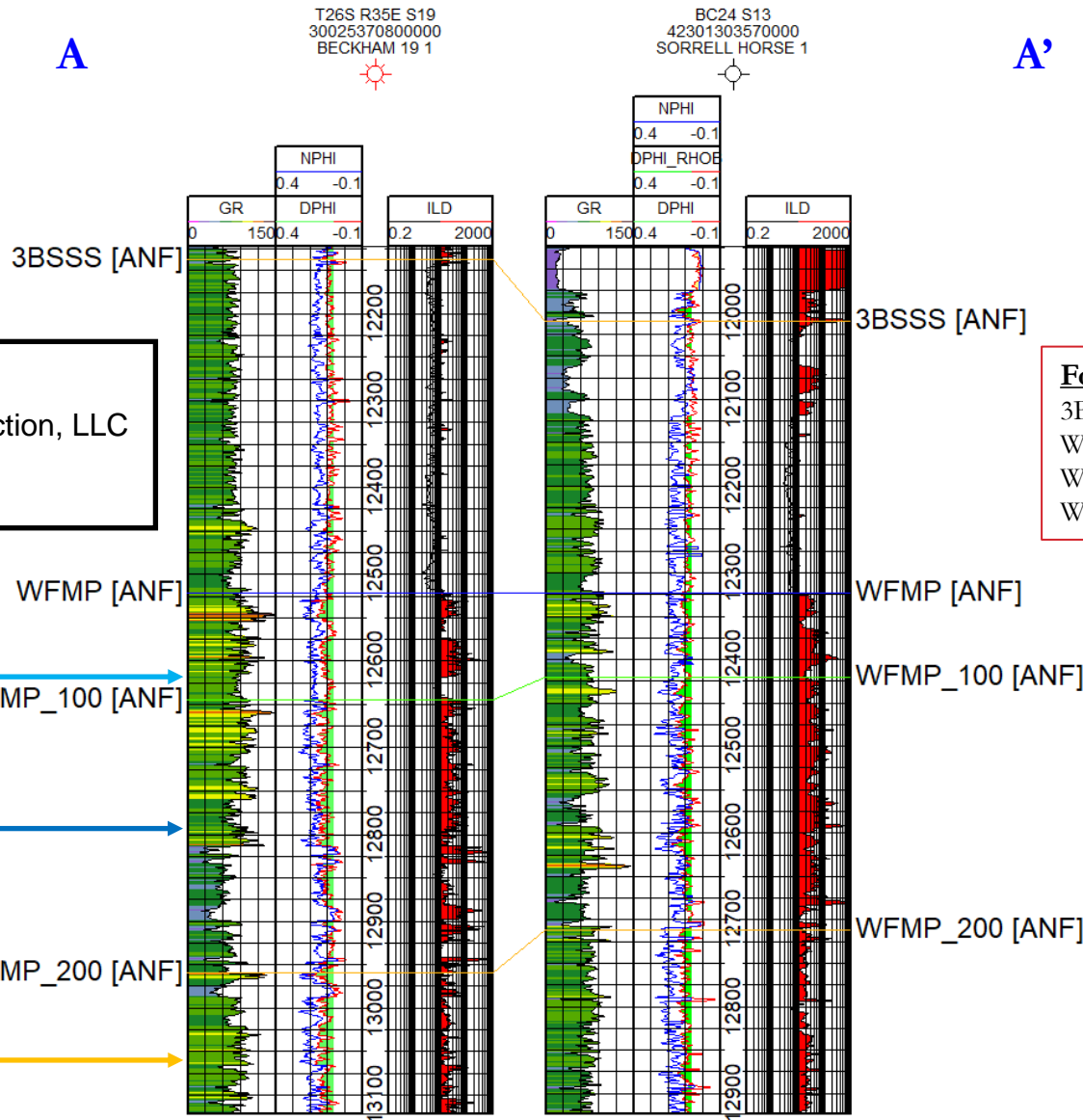


Exhibit B-6

Titus Oil & Gas Production, LLC

June 25, 2020

Cattlemen  
Fed Com 404H  
Target  
(Wolfcamp XY)

Cattlemen  
Fed Com 434H  
Target  
(Wolfcamp A)

Cattlemen  
Fed Com 514H  
Target  
(Wolfcamp B)

### Formation Top Key:

3BSSS – 3<sup>rd</sup> Bone Spring Sandstone

WFMP – Wolfcamp

WFMP\_100 – Wolfcamp A

WFMP\_200 – Wolfcamp B

# Titus' Cattlemen Horizontal Spacing Unit Gunbarrel

Cattlemen Fed Com 404H, 434H & 514H – Wolfcamp XY, A & B Targets

Exhibit B-7

Titus Oil & Gas Production, LLC

June 25, 2020

Cattlemen  
HSU

1/2 Section – 2640'

Beckham 19 1  
Sec. 19 – 26S – 35E

*LOWER BRUSHY*

*LEONARD A*

*LEONARD B*

*LEONARD C*

*1<sup>ST</sup> BONE SPRING SAND*

*2<sup>ND</sup> BONE SPRING SHALE*

*2<sup>ND</sup> BONE SPRING LIME*

*2<sup>ND</sup> BONE SPRING SAND*

*3<sup>RD</sup> BONE SPRING LIME*

*3<sup>RD</sup> BONE SPRING SHALE*

*3<sup>RD</sup> BONE SPRING SAND*

*WOLFCAMP XY*

*WOLFCAMP A*

*WOLFCAMP B*

FEL' 2640'

990'

530'

330'

Cattlemen Fed  
Com 434H

Cattlemen Fed  
Com 514H

Cattlemen Fed  
Com 404H

2310'

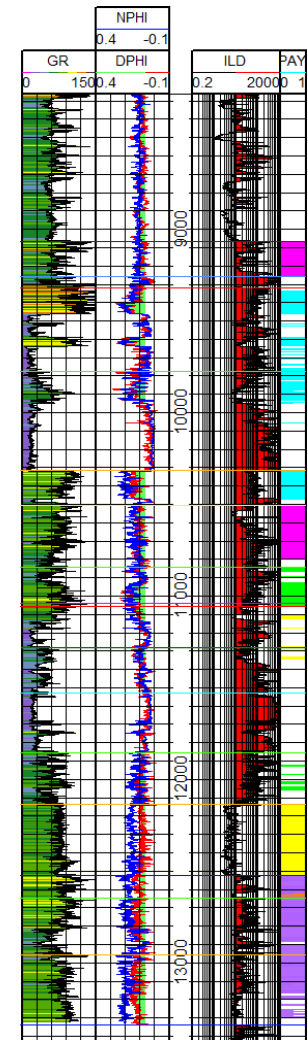
1650'

2110'

330'

990'

530'



\*Depth ticks = 100'

Tab 8



June 25, 2020

notice also was directed to the uncommitted interest owners in all of the above-referenced cases by publication in the Hobbs News-Sun on March 20, 2020, as reflected in the Affidavits of Publication attached hereto as Exhibit B.

3. 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 Applications filed herein.

*Sharon T. Shaheen*

---

SHARON T. SHAHEEN

SUBSCRIBED AND SWORN to before me this 23<sup>rd</sup> day of June, 2020.



*Lorena B. Palacios*  
Notary Public

My Commission Expires:

*April 30, 2022*

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature  <div style="display: flex; justify-content: space-between;"> <span><input checked="" type="checkbox"/> <i>Kendra Guy</i></span> <span><input type="checkbox"/> Agent</span> </div> </p> <p>B. Received by (Printed Name)  <div style="display: flex; justify-content: space-between;"> <span><i>Kendra Guy</i></span> <span><input type="checkbox"/> Addressee</span> </div> </p> <p>C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p style="text-align: center; padding: 10px;"> <b>Sharbro Energy, LLC</b>  <b>P.O. Box 840</b>  <b>Artesia, NM 882211-1091</b> </p>	<p>3. Service Type</p> <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> Certified Mail  <input type="checkbox"/> Registered  <input type="checkbox"/> Insured Mail         </div> <div> <input type="checkbox"/> Express Mail  <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> C.O.D.         </div> </div> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number            (Transfer from service label) <span style="margin-left: 20px;">7015 1730 0000 9793 8998</span></p>	
<p>PS Form 3811, February 2004 <span style="margin-left: 100px;">Domestic Return Receipt</span> <span style="float: right;">102595-02-M-1540</span></p>	

PLACE STICKER ON TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD ALONG DOTTED LINE.  
**CERTIFIED MAIL**

7015 1730 0000 9793 8998

7015 1730 0000 9793 8998

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

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

<p>Certified Mail Fee \$</p> <p>Extra Services &amp; Fees (check box, add fee as appropriate)</p> <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> Return Receipt (hardcopy)           <div style="border-bottom: 1px solid black; width: 100px;"></div> </div> <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> Return Receipt (electronic)           <div style="border-bottom: 1px solid black; width: 100px;"></div> </div> <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> Certified Mail Restricted Delivery           <div style="border-bottom: 1px solid black; width: 100px;"></div> </div> <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> Adult Signature Required           <div style="border-bottom: 1px solid black; width: 100px;"></div> </div> <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> Adult Signature Restricted Delivery           <div style="border-bottom: 1px solid black; width: 100px;"></div> </div>	<p>Postmark Here</p>
<p>Postage \$</p> <p>Total P \$</p> <p>Sent To \$</p> <p>Street a</p> <p>City, Sta</p>	<p><b>Sharbro Energy, LLC</b>  <b>P.O. Box 840</b>  <b>Artesia, NM 882211-1091</b></p>

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

**UNITED STATES POSTAL SERVICE**

**16 MAR 20**

**344 11**

**First-Class Mail**  
**Postage & Fees Paid**  
**USPS**  
**Permit No. G-10**

• Sender: Please print your name, address, and ZIP+4 in this box •

**MONTGOMERY & ANDREWS**  
LAW FIRM

P.O. Box 2307  
Santa Fe, New Mexico 87504-2307

Titus Oil & Gas/Cattlemen  
15412-2006/STS

E2/wa

## 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  
625 E. Greene Street  
Carlsbad, NM 88220-6292



9590 9402 1257 5246 5840 01

2. Article Number (Transfer from service label)

7015 1730 0000 9793 9001

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent  
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

3-16

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

3. Service Type

- ☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Registered Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☒ Return Receipt for Merchandise  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

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

Domestic Return Receipt

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

CERTIFIED MAIL®



7015 1730 0000 9793 9001

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

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

\$

Total Postage and Fees

\$

Bureau of Land Management

Sent To

625 E. Greene Street

Carlsbad, NM 88220-6292

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9017

See Reverse for Instructions

Postmark  
Here

## USPS TRACKING#



9590 9402 1257 5246 5840 01

United States  
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box®



MONTGOMERY  
& ANDREWS  
LAW FIRM

P.O. Box 2307  
Santa Fe, New Mexico 87504-2307

Titus Oil &amp; Gas/Cattlemen

15412-2006/STS

E21W2



First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-1



**SENDER: COMPLETE THIS SECTION**

1. Article Addressed to:  
 ■ Attach this card to the back of the mailpiece, so that we can return the card to you.  
 ■ Print your name and address on the reverse  
 ■ Complete items 1, 2, and 3.

2. Article Number (Transfer from service label)  
 9590 9402 1257 5246 5839 81

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

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

A. Signature \_\_\_\_\_  
 B. Received by (Printed Name) \_\_\_\_\_  
 C. Date of Delivery \_\_\_\_\_  
☐ Agent  
☐ Addressee

**COMPLETE THIS SECTION ON DELIVERY**

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

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

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

State Land Office  
 310 Old Santa Fe Trail  
 Santa Fe, NM 87501

City, State, ZIP+4®  
 Santa Fe, NM 87501

Postage \$  
 Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Total \$  
 7015 1730 0000 9793 9018

PS Form 3800, April 2015 PSN 7530-02-000-8047 See Reverse for Instructions

**United States Postal Service**

USPS TRACKING # 9590 9402 1257 5246 5839 81

First-Class Mail  
 Postage & Fees Paid  
 USPS  
 Permit No. G-10

• Sender: Please print your name, address, and ZIP+4® in this box.

**MONTGOMERY & ANDREWS**  
 LAW FIRM  
 P.O. Box 2307  
 Santa Fe, New Mexico 87504-2307

Titus Oil & Gas/Cattlemen  
 15412-2006/STS E21W2

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Allar Company  
P. O. Box 1567  
Graham, TX 76450

2. Article Number  
(Transfer from service label)

7014 0150 0000 5153 1511

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ Agent  
☐ Addressee  
B. Received by (Printed Name)  
M Barrett

C. Date of Delivery

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

3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT  
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

CERTIFIED MAIL™



7014 0150 0000 5153 1511  
7014 0150 0000 5153 1511

U.S. Postal Service™  
**CERTIFIED MAIL™ RECEIPT**

(Domestic Mail Only; No Insurance Coverage Provided)

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

Postage \$

Certified Fee

Return Receipt Fee  
(Endorsement Required)Restricted Delivery Fee  
(Endorsement Required)

Total P

Postmark  
Here

Sent To

Allar Company  
P. O. Box 1567  
Graham, TX 76450

Street, A  
or PO Box

City, State

PS Form 3811, February 2004

See Reverse for Instructions

BC: 8750499955 DU \*2382-04149-27-23

Class Mail  
Postage & Fees Paid

No. G-10

MONTGOMERY & ANDREWS  
750 DC 1 N C2203/27/20  
UNABLE TO FORWARD FOR REVIEW  
\*\*\*\*\*



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

P.O. Box 2307  
Santa Fe, New Mexico 87504-2307

Titus Oil & Gas/Cattlemen  
15412-2006/STS **EZ**



## SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- 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:

Chevron U.S.A., Inc.  
1400 Smith Street  
Houston, TX 77002

2. Article Number  
(Transfer from service label)

7015 1730 0000 9793 8950

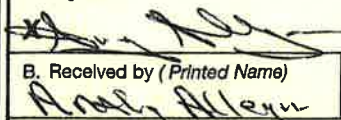
PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature



- ☐ Agent  
☐ Addressee

## B. Received by (Printed Name)

Amy Allen

## C. Date of Delivery

3-17-20

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

## 3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

- ☐ Yes

# U.S. Postal Service™

## CERTIFIED MAIL® RECEIPT

Domestic Mail Only

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

\$

## Total P

\$

## Sent to

Street

City, St

City, St

City, St

City, St

City, St

City, St

City, St

City, St

City, St

City, St

City, St

City, St

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City, St

City, St

City, St

City, St

Chevron U.S.A., Inc.  
1400 Smith Street  
Houston, TX 77002

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

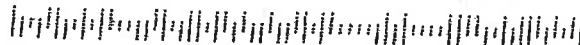
See Reverse for Instructions

UNITED STATES POSTAL SERVICE



First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

03/18



MONTGOMERY  
& ANDREWS  
LAW FIRM

P.O. Box 2307  
Santa Fe, New Mexico 87504-2307

Titus Oil & Gas/Cattlemen  
15412-2006/STS

E2

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Chief Capital (O&G) II LLC  
8111 Westchester, Suite 900  
Dallas, TX 75225

2. Article Number  
(Transfer from service label)

PS Form 3811, February 2004

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Rashed Al-Hajj*
☐ Agent  
☐ Addressee

B. Received by (Printed Name)

*Rashed Al-Hajj*

C. Date of Delivery

*3-19-20*D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☒ No

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

7015 1730 0000 9793 8967

Domestic Return Receipt

102595-02-M-1540

7015 1730 0000 9793 8967  
7015 1730 0000 9793 8967U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT  
Domestic Mail OnlyFor 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 \$
Postmark  
Here

Postage

\$

Total P

\$ Sent To

Street

City, St.

Chief Capital (O&G) II LLC  
8111 Westchester, Suite 900  
Dallas, TX 75225

PS Form 3800, April 2015 PSN 7530-02-000-9017

See Reverse for Instructions

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Chief Capital (O&G) II LLC  
8111 Westchester, Suite 900  
Dallas, TX 75225

2. Article Number  
(Transfer from service label)

PS Form 3811, February 2004

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Rashed Al-Hajj*
☐ Agent  
☐ Addressee

B. Received by (Printed Name)

*Rashed Al-Hajj*

C. Date of Delivery

*3-19-20*D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☒ No

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

7015 1730 0000 9793 8967

Domestic Return Receipt

102595-02-M-1540



## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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

2. Article Number  
(Transfer from service label)

7015 1730 0000 9793 8981

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☒ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

3-16

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

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

PLACE STICKER ON TOP OF ENVELOPE TO THE RIGHT  
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

**CERTIFIED MAIL®**



7015 1730 0000 9793 8981  
7015 1730 0000 9793 8981

U.S. Postal Service<sup>®</sup>  
**CERTIFIED MAIL® RECEIPT**

Domestic Mail Only

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

\$

Total Postage and Fees

\$

Bureau of Land Management

Sent To 625 E. Greene Street

Street and P.O. Box NM 88220-6292

City, State, ZIP+4®

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

See Reverse for Instructions

Postmark  
Here

UNITED STATES POSTAL SERVICE



First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

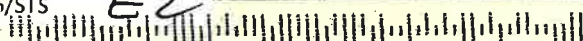
• Sender: Please print your name, address, and ZIP+4 in this box •



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

P.O. Box 2307  
Santa Fe, New Mexico 87504-2307

Titus Oil & Gas/Cattlemen  
15412-2006/STS



## SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- 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 9793 8974

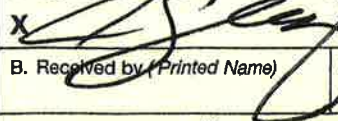
PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X 

- ☐ Agent  
☐ Addressee

## B. Received by (Printed Name)

## C. Date of Delivery

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

## 3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT  
OF THE ADDRESS. FOLD AT DOTTED LINE.  
**CERTIFIED MAIL**



7015 1730 0000 9793 8974  
7015 1730 0000 9793 8974

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

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

\$

## Total Postage and Fees

\$

State Land Office

## Sent To

310 Old Santa Fe Trail

## Street and Address

Santa Fe, NM 87501

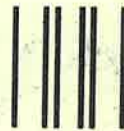
## City, State, ZIP+4®

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

See Reverse for Instructions

Postmark  
Here

UNITED STATES POSTAL SERVICE



First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

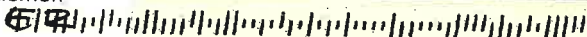
• Sender: Please print your name, address, and ZIP+4 in this box •



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

P.O. Box 2307  
Santa Fe, New Mexico 87504-2307

Titus Oil & Gas/Cattlemen  
15412-2006/STS





# 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).

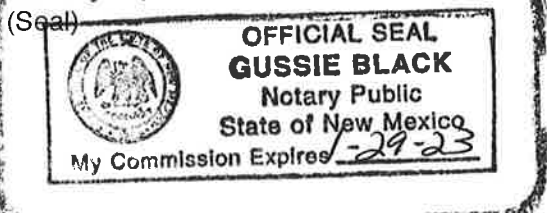
Beginning with the issue dated  
March 20, 2020  
and ending with the issue dated  
March 20, 2020.

  
Publisher

Sworn and subscribed to before me this  
20th day of March 2020.

  
Business Manager

My commission expires  
January 29, 2023



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

LEGAL

LEGAL

## LEGAL NOTICE MARCH 20, 2020

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns and any other uncommitted interest owners: Sharbro Energy, LLC; New Mexico State Land Office; and Bureau of Land Management.

Titus Oil & Gas Production, LLC, has filed two (2) applications with the New Mexico Oil Conservation Division as follows:

**Case No. 21208: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Bone Spring (Oil) 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. Applicant proposes to drill the following well: **Cattlemen Fed Com 322H** well, to be horizontally drilled from an approximate surface hole location 2084' FNL and 1994' FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 1651' FWL of Section 20, T26S-R35E. The completed interval and first and last take points for this well 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 well and lands are located approximately 13 miles southwest of Jal, New Mexico.

**Case No. 21209: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) 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. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 432H** well, to be horizontally drilled from an approximate surface hole location 2084' FNL and 2054' FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 2310' FWL of Section 20, T26S-R35E, and (2) **Cattlemen Fed Com 512H** well, to be horizontally drilled from an approximate surface hole location 2084' FNL and 2024' FWL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 1850' FWL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells 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 13 miles southwest of Jal, New Mexico.

Hearing on these applications will proceed before a Division Examiner on April 2, 2020, at 8:15 a.m. in Room 311, at the New Mexico State Capitol Building (the Roundhouse), 490 Old Santa Fe Trail, Santa Fe, New Mexico. 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.  
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EXHIBIT B

# 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).

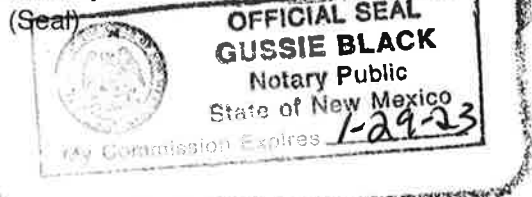
Beginning with the issue dated  
March 20, 2020  
and ending with the issue dated  
March 20, 2020.

  
Publisher

Sworn and subscribed to before me this  
20th day of March 2020.

  
Business Manager

My commission expires  
January 29, 2023



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 20, 2020

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns and any other uncommitted interest owners: Allar Company; Chevron U.S.A., Inc.; Chief Capital (O&G) II LLC; New Mexico State Land Office; and Bureau of Land Management.

Titus Oil & Gas Production, LLC, has filed three (3) applications with the New Mexico Oil Conservation Division as follows:

**Case No. 21210: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Bone Spring (Oil) 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 W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following well: **Cattlemen Fed Com 323H** well, to be horizontally drilled from an approximate surface hole location 2077' FNL and 1912' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 1650' FEL of Section 20, T26S-R35E. The completed interval and first and last take points for this well 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 well and lands are located approximately 13 miles southwest of Jal, New Mexico.

**Case No. 21211: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 403H** well, to be horizontally drilled from an approximate surface hole location 2077' FNL and 1972' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 2310' FEL of Section 20, T26S-R35E, and (2) **Cattlemen Fed Com 513H** well, to be horizontally drilled from an approximate surface hole location 2077' FNL and 1942' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 1870' FEL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells 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 13 miles southwest of Jal, New Mexico.

**Case No. 21212: Application of Titus Oil & Gas Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) in a standard 240-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 SE/4 of Section 17 and the E/2 E/2 of Section 20, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) **Cattlemen Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 892' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 330' FEL of Section 20, T26S-R35E, (2) **Cattlemen Fed Com 434H** well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 952' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 989' FEL of Section 20, T26S-R35E, and (3) **Cattlemen Fed Com 514H** well, to be horizontally drilled from an approximate surface hole location 1948' FNL and 922' FEL of Section 17, T26S-R35E, to an approximate bottom hole location 10' FSL and 530' FEL of Section 20, T26S-R35E. The completed intervals and first and last take points for these wells 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 13 miles southwest of Jal, New Mexico.

Hearing on these applications will proceed before a Division Examiner on April 2, 2020, at 8:15 a.m. in Room 311, at the New Mexico State Capitol Building (the Roundhouse), 490 Old Santa Fe Trail, Santa Fe, New Mexico. 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.

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