

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NOS: 21615, 21616

APPLICATION OF TITUS OIL AND GAS
PRODUCTION, LLC, FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

FEBRUARY 18, 2021

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER FELICIA ORTH and TECHNICAL EXAMINERS LEONARD LOWE and BAYLEN LAMKIN on February 18, 2021, as hosted by the New Mexico Energy, Minerals, and Natural Resources Department, Santa Fe, New Mexico.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102
505-843-9241

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A P P E A R A N C E S

For the Applicant:

SHARON SHAHEEN
MONTGOMERY & ANDREWS
325 Paseo de Peralta
Santa Fe, NM 87501

I N D E X

CASE CALLED

TAKEN UNDER ADVISEMENT 06

REPORTER CERTIFICATE 07

E X H I B I T I N D E X

Admitted

All Exhibits and Attachments 06

1 HEARING EXAMINER ORTH: Let's move then to 21615
2 and 21616, Titus Oil and Gas is the applicant, compulsory
3 pooling application. Chicken Noodle is the name of the
4 well. Ms. Shaheen, is that you from Montgomery and Andrews
5 for the applicant?

6 MS. SHAHEEN: It is. Good morning, Madam
7 Examiner.

8 HEARING EXAMINER ORTH: Good morning. I didn't
9 see any other entries in the case file, so let me pause for
10 a moment in the event there is an entry this morning.

11 (No audible response.)

12 HEARING EXAMINER ORTH: No? If you would, please
13 go ahead.

14 MS. SHAHEEN: Thank you. In these two cases,
15 which I would like to consolidate 21615 and 21616, Titus
16 seeks to pool the W/2 of Section 2 and the NW/4 of Section
17 11 in Township 26 South and Range 25 East in Eddy County.

18 In 21615 they seek to pool a 480 acre unit, and
19 propose to drill one well at this time, and that is a Bone
20 Spring well, the 30 -- the Chicken Noodle Fed Com 301H. I
21 think it's slightly atypical in that we've included
22 proximity tracts because they propose to drill this well
23 straight down the middle of the quarter section, so we have
24 included six proximity tracts.

25 And the ownership of all tracts is the same. In

1 Tract 1, I believe Titus owns 100 percent of the state
2 lease. And in Tract 2, COG and LR own a federal lease, and
3 as I said, the ownership across the quarter-quarter sections
4 within that quarter section is the same, and everyone was
5 noticed that we are including in these proximity tracts.

6 If you take a look at .pdf Page 2, you will see
7 our table of contents that illustrates how we've organized
8 the requisite exhibits.

9 Moving on to case 21616, the Fed Com, these are
10 Wolfcamp wells, they will be drilled in the Wolfcamp XY, and
11 they do have non-standard locations and we originally sought
12 to have approval of those non-standard locations heard at
13 this hearing.

14 But since that time we've, we received
15 administrative approval of those non-standard locations, and
16 the landman's affidavit identifies the administrative orders
17 that approve those non-standard locations.

18 If, if anyone is interested, in .pdf Page 20 in
19 the landman's affidavit, Titus' landman, his testimony has
20 been previously admitted in other applications and hearings.
21 He explains why they decided to drill the Bone Spring well
22 down the middle of the quarter section, and it is because
23 the Wolfcamp XY and the Third Bone Spring are likely part of
24 the same flow unit. And Titus believes that the three wells
25 in the flow unit within the horizontal spacing unit is the

1 proper development based on their modeling and monitoring of
2 nearby wells.

3 I think I hit the main points here, and I would
4 ask that the exhibits be admitted into the record and the
5 case be taken under advisement subject to any questions that
6 Mr. Lowe may have.

7 HEARING EXAMINER ORTH: All right. Thank you,
8 Ms. Shaheen. The exhibits are admitted. Mr. Lowe, do you
9 have questions of Ms. Shaheen?

10 TECHNICAL EXAMINER LOWE: Yes, I have one, Ms.
11 Shaheen. You reference that a few of the wells or all of
12 those wells that you mentioned have an approved NSL?

13 MS. SHAHEEN: The Bone Spring well is within
14 standard setbacks. The two Wolfcamp wells, 401H and 402H,
15 we do have two orders approving the non-standard locations
16 for the Wolfcamp wells.

17 TECHNICAL EXAMINER LOWE: Okay. And just to
18 reiterate, all of those NSLs are done administratively, so
19 it's only brought to hearing if it's contested and any
20 resolution cannot be determined at an administrative level.
21 Just reminding you.

22 MS. SHAHEEN: Thank you so much, and I appreciate
23 that because I meant to ask that the Division dismiss that
24 portion of application that seeks approval of the
25 non-standard location in this application.

1 TECHNICAL EXAMINER LOWE: Okay. That's all I
2 have, thank you.

3 MS. SHAHEEN: Thank you.

4 HEARING EXAMINER ORTH: Thank you, Mr. Lowe and
5 Ms. Shaheen. The matter is taken under advisement.

6 (Exhibits admitted.)

7 (Taken under advisement.)

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1 STATE OF NEW MEXICO.

2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court
7 Reporter, CCR 253, do hereby certify that I reported the
8 foregoing virtual proceedings in stenographic shorthand and
9 that the foregoing pages are a true and correct transcript
10 of those proceedings to the best of my ability.

11 I FURTHER CERTIFY that I am neither employed by
12 nor related to any of the parties or attorneys in this case
13 and that I have no interest in the final disposition of this
14 case.

15 I FURTHER CERTIFY that the Virtual Proceeding was
16 of poor to good quality.

17 Dated this 18th day of February 2021.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-21

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