

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

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO

Case No. 21872



El Campeon Fed Com 404H

September 16, 2021

Originally Heard by the Division on June 17, 2021
Referred to the Commission by Order No. R-21831 (Sept. 3, 2021)

Applicant's filings and exhibits previously filed with the Division
Part 1 of 2

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

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1.

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

Titus Oil & Gas Production, LLC (“Titus”), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, §70-2-17, for an order approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]). In support of its application, Titus states as follows:

1. Titus is the sole working interest owner in the New Mexico portion of the HSU and has the right to drill thereon.
2. Occidental Petroleum (“OXY”) is the sole working interest owner in the Texas portion of the HSU and has the right to drill thereon. OXY supports Titus’s plan to drill the subject well described below.

3. Titus proposes to dedicate this spacing unit to the **El Campeon Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 558' FSL and 590' FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10' FSL and 1912' FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas.

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

5. Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas.

6. The Railroad Commission of Texas will conduct a hearing on April 13, 2021 regarding approval of the production allocation on behalf of Texas.

7. The proposed production allocation between New Mexico and Texas will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to permit Titus and other New Mexico mineral interest owners to obtain their just and fair share of the oil and gas underlying the subject lands, production should be allocated between New Mexico and Texas as proposed.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 2021, and that, after notice and hearing as required by law, the Division enter an order approving the production allocation between New Mexico and Texas for minerals produced from the Wolfcamp formation underlying the HSU.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

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Attorneys for Titus Oil & Gas Production, LLC

2.

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO**

CASE NO. 21872

**ENTRY OF APPEARANCE AND
NOTICE OF INTERVENTION**

Eric Ames and Jesse Tremaine, Assistant General Counsels, enter their appearance on behalf of the New Mexico Oil Conservation Division (“OCD”), and gives notice that OCD intervenes in this matter pursuant to 19.15.4.11 NMAC. OCD has standing to intervene because it is the agency responsible for ensuring compliance with the applicable rules, and alternatively, its participation in the proceeding will contribute substantially to the prevention of waste and the protection of correlative rights and the public health and environment. Because Titus’ application does not provide any information regarding the proposed production allocation between the states of New Mexico and Texas, OCD is not able to evaluate the merits of the application.

Respectfully submitted,



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Jesse Tremaine
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CERTIFICATE OF SERVICE

I certify that on April 29, 2021, I served this pleading by electronic mail on:

Sharon T. Shaheen
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Montgomery & Andrews
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sshaheen@montand.com
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Attorneys for Titus Oil & Gas Production, LLC



Eric Ames

3.

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO.**

CASE NO. 21872

ENTRY OF APPEARANCE

COMES NOW, Michael H. Feldewert, Adam G. Rankin, Julia Broggi, and Kaitlyn A. Luck of Holland & Hart, LLP, and hereby enter their appearances on behalf of EOG Resources, Inc.

Respectfully submitted,



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ATTORNEYS FOR EOG RESOURCES, INC.

CERTIFICATE OF SERVICE

I hereby certify that on April 29, 2021, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Sharon T. Shaheen
John F. McIntyre
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Attorneys for Titus Oil & Gas Production, LLC

A handwritten signature in blue ink, appearing to be 'mf', is positioned above a horizontal line. The signature is stylized and cursive.

Michael H. Feldewert

4.

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO**

CASE NO. 21872

**OIL CONSERVATION DIVISION'S
STIPULATED MOTION FOR CONTINUANCE**

The New Mexico Oil Conservation Division (“OCD”) respectfully requests that the above-referenced matter be continued until OCD’s next docket on May 20, 2021. The applicant, Titus Oil & Gas Production, LLC, concurs in this motion.

Respectfully submitted,



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Jesse Tremaine
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CERTIFICATE OF SERVICE

I certify that on April 29, 2021, I served this pleading by electronic mail on:

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Attorney for EOG Resources, Inc.



Eric Ames

5.

DOCKET: OIL CONSERVATION DIVISION HEARINGS - Thursday, May 6, 2021

8:15 a.m.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e92a16b2c34c026a71d22f452bb8f9278>

Event number: 187 792 1228

Event password: YGgP3c7Umy7

Join by video: 1877921228@nmemnrd.webex.com

Numeric Password: 164747

You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free

Access code: 187 792 1228

Applications for hearing shall be filed at least thirty (30) days in advance of the hearing date. A party who intends to present evidence shall file a pre-hearing statement no later than the close of business on the Thursday prior to the hearing date and serve a copy on the other parties, if any. The hearing examiner will dismiss the application if the applicant does not file and serve a pre-hearing statement as specified above.

NOTICE: The hearing examiner may call the following cases in any order in his or her discretion.

| | Case Number | Description |
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| 1. | 21799 | <p>Application of Chisholm Energy Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320.12-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Section 34, Township 19 South, Range 33 East, and the W/2 W/2 of Section 3, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the following initial wells:</p> <p>(1) Jade 34-3 Fed Com 2BS #5H well to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 34 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 3; and</p> <p>(2) Jade 34-3 Fed Com 1BS #9H well to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 34 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 3.</p> <p>The completed interval of the proposed well will comply with Statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing each well. Said area is located approximately 20 miles south of Maljamar, New Mexico.</p> |
| 2. | 21800 | <p>Application of Chisholm Energy Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320.03-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Section 34, Township 19 South, Range 33 East, and the E/2 W/2 of Section 3, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the following proposed initial wells: (1) the Jade 34-3 Fed Com 2BS #6H well, and (2) Jade 34-3 Fed Com 1BS #10H well, both of which are to be horizontally drilled from a common surface location in the NE/4 NW/4 (Unit C) of Section 34 to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 3. The completed interval of the proposed well will comply with Statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing each well. Said area is located approximately 20 miles south of Maljamar, New Mexico.</p> |
| 3. | 21835 | <p>Application of Mewbourne Oil Company to Pool Additional Interest Owners Under the Terms of Order No. R-21293, Lea County, New Mexico. Applicant seeks to pool additional interest owners under the terms of Oil Conservation Division Order No. R-21293, which created a 240-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 26 and the E/2 SE/4 of Section 23, Township 21 South, Range 34 East in Lea County, New Mexico (“the</p> |

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| | | Unit”) and designated Mewbourne as the operator of the Unit. Order No. R-21293 further pooled the uncommitted interests in the Bone Spring formation (Grama Ridge; Bone Spring NE Pool, Code 28435) and dedicated the Unit to the Inland 26/23 B2PI State Com #1H well, to be horizontally drilled from a surface location in Unit P in Section 26 to a bottom hole location in Unit I in Section 23, Township 21 South, Range 34 East. The well is located approximately 12.5 miles west of Eunice, New Mexico. |
| 4. | 21837 [Continued to May 20, 2021] | Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring standard horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring standard horizontal spacing unit underlying the N/2 N/2 of Sections 25 and 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico. This standard spacing unit will be dedicated to the Camacho 25-26 State Com 201H and Camacho 25-26 State Com 301H wells, to be horizontally drilled. The producing intervals for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16 miles southeast of Artesia, New Mexico. |
| 5. | 21838 [Continued to May 20, 2021] | Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring standard horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring standard horizontal spacing unit underlying the S/2 N/2 of Sections 25 and 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico. This standard spacing unit will be dedicated to the Camacho 25-26 State Com 202H and Camacho 25-26 State Com 302H wells, to be horizontally drilled. The producing intervals for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16 miles southeast of Artesia, New Mexico. |
| 6. | 21839 [Continued to May 20, 2021] | Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring standard horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring standard horizontal spacing unit underlying the N/2 S/2 of Sections 25 and 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico. This standard spacing unit will be dedicated to the Camacho 25-26 State Com 203H and Camacho 25-26 State Com 303H wells, to be horizontally drilled. The producing intervals for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16 miles southeast of Artesia, New Mexico. |
| 7. | 21840 [Continued to May 20, 2021] | Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring standard horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring standard horizontal spacing unit underlying the S/2 S/2 of Sections 25 and 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico. This standard spacing unit will be dedicated to the Camacho 25-26 State Com 204H and Camacho 25-26 State Com 304H wells, to be horizontally drilled. The producing intervals for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16 miles southeast of Artesia, New Mexico. |
| 8. | 21841 | Application of Steward Energy II, LLC for compulsory pooling, Lea County, New Mexico. Applicant applies for an order pooling all uncommitted mineral interests in the San Andres formation in a 480-acre, more or less, standard (proximity tract) horizontal spacing unit comprised of the SW/4 of Section 11 and the W/2 of Section 14, Township 13 South, Range 38 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the Gustavo |

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| | | Fee #5H well, which will be horizontally drilled from a surface location in the NW/4NW/4 (Unit F) of Section 23 to a bottom hole location in NW/4SW/4 (Unit J) of Section 11, Township 13 South, Range 38 East. The completed interval of the well will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Steward Energy II, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well location is approximately fourteen (14) miles east of McDonald, New Mexico. |
| 9. | 21843 | (Re-Open) Application of Chevron U.S.A. Inc. to Amend Order No. R-20859, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-20859, issued on September 13, 2019, to retroactively extend the deadline for completing the initial wells for one year to February 1, 2022. Order No. R-20859 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2 of Section 9 and E/2 of Section 16, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence completion operations on at least one of the wells within one year after commencement of drilling operations unless the operator obtains an extension from the Division Director for good cause shown. The three initial wells, the DL 9 16 Loch Ness Fed Com 16H well, the DL 9 16 Loch Ness Fed Com 17H well and the DL 9 16 Loch Ness Fed Com 18H well, were commenced on February 1, 6 and 8, 2020, respectively, and successfully drilled to planned total depth. The unit is located approximately 21 miles northwest of Jal, New Mexico. |
| 10. | 21844 | (Re-Open) Application of Chevron U.S.A. Inc. to Amend Order No. R-21409, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-21409, issued on July 29, 2020, to extend the deadline to commence drilling the initial wells for two years to July 29, 2023. Order No. R-21409 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2 of Section 3 and E/2 of Section 10, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 10 3 Morag Fed Com 210H well; (2) the DL 10 3 Morag Fed Com 211H well; (3) the DL 10 3 Morag Fed Com 212H well; and (4) the DL 10 3 Morag Fed Com 506H well. The unit is located approximately 21 miles northwest of Jal, New Mexico. |
| 11. | 21845 | (Re-Open) Application of Chevron U.S.A. Inc. to Amend Order No. R-21418, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-21418, issued on August 7, 2020, to extend the deadline to commence drilling the initial wells for one year to August 7, 2022. Order No. R-21418 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the W/2 of Section 3 and W/2 of Section 10, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 10 3 Kraken Fed Com 207H well; (2) the DL 10 3 Kraken Fed Com 208H well; (3) the DL 10 3 Kraken Fed Com 209H well; (4) the DL 10 3 Kraken Fed Com 504H well; and (5) DL 10 3 Morag Fed Com 505H well. The unit is located approximately 21 miles northwest of Jal, New Mexico. |
| 12. | 21846 | (Re-Open) Application of Chevron U.S.A. Inc. to Amend Order No. R-21465, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-21465, issued on September 21, 2020, to extend the deadline to commence drilling the initial wells for one year to September 21, 2022. Order No. R-21465 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the E/2 of Section 15 and E/2 of Section 22, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 15 22 Ogoopogo Fed Com 222H well; (2) the DL 15 22 Ogoopogo Fed Com 223H well; (3) the DL 15 22 Ogoopogo Fed Com 224H well; and (4) the DL 15 22 Ogoopogo Fed Com 512H well. The unit is located approximately 21 miles northwest of Jal, New Mexico. |
| 13. | 21847 | (Re-Open) Application of Chevron U.S.A. Inc. to Amend Order No. R-21467, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending Order No. R-21467, issued on September 21, 2020, to extend the deadline to commence drilling the initial wells for one year to September 21, 2022. Order No. R-21467 pooled all mineral interests in the Bone Spring formation in a horizontal spacing unit comprised of the W/2 of Section 15 and W/2 of |

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| | | Section 22, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, and requires that operator commence drilling operations within one year after the date of the order unless the operator obtains an extension by amending the order for good cause shown. The initial wells to be drilled within the unit are: (1) the DL 15 22 Narwhal Fed Com 219H well; (2) the DL 15 22 Narwhal Fed Com 220H well; (3) the DL 15 22 Narwhal Fed Com 221H well; (4) the DL 15 22 Narwhal Fed Com 510H well; and (5) DL 15 22 Ogoopogo Fed Com 511H well. The unit is located approximately 21 miles northwest of Jal, New Mexico. |
| 14. | 21849 [Status Conference] | Application of Chisholm Energy Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 7 and 18, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Thunderbird 18-7 Fed Com 1BS #3H well to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 18 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 7. The completed interval of the proposed well will comply with Statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing each well. Said area is located approximately 20 miles south of Maljamar, New Mexico. |
| 15. | 21850 [Status Conference] | Application of Chisholm Energy Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 7 and 18, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Thunderbird 18-7 Fed Com 1BS #4H well to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 18 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 7. The completed interval of the proposed well will comply with Statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing each well. Said area is located approximately 20 miles south of Maljamar, New Mexico. |
| 16. | 21855 | Application of SPC Resources, LLC to Amend Order No. R-21096, Eddy County, New Mexico. Applicant in the above-styled cause seeks to pool additional interests under the terms of Order No. R-21096. The Unit is comprised of the W/2 and E/2 of Section 12, Township 22 South, Range 26 East, and the W/2 and E/2 of Section 7, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. Order No. R-21096 (and the pending Order from Case No. 21577) pooled the uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp Pool (Pool Code 98220)) and dedicated the Unit to the following Proposed Wells: (1) the Caveman #402H well (API No. 30-015-47629), and (2) the Caveman #442H well (formerly the Caveman 7 12 WCD #003H, sundry pending) (API No. 30-015-47689). Portions of said area are located within the city limits of Carlsbad, New Mexico. |
| 17. | 21856 | Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 4 and 9, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells: <ul style="list-style-type: none"> • The Holyfield 9 Fed Com #303H well (API No. 30-025-pending) to be drilled from a surface hole location in SW/4 SE/4 (Unit O) of said Section 9 to a bottom hole location in the NE/4 NE/4 (Unit A) of said Section 4; and • The Holyfield 9 Fed Com #304H well (API No. 30-025-pending), and the Holyfield 9 Fed Com #305H well (API No. 30-025-pending), both of which are to be drilled from a common surface hole location in SW/4 SE/4 (Unit O) of said Section 9 to bottom hole locations in the NW/4 NE/4 (Unit B) of said Section 4. The completed interval for the proposed Holyfield 9 Fed Com #304H well will remain within 330 feet of the quarter-quarter line separating the E/2 E/2 from the W/2 E/2 of Sections 4 and 9 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. Also, to be |

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| | | considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 16 miles west of Jal, New Mexico. |
| 18. | 21857 | <p>Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 4 and 9, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells:</p> <ul style="list-style-type: none"> • The Holyfield 9 Fed Com #308H well (API No. 30-025-pending), to be drilled from a surface hole location in SE/4 SW/4 (Unit N) of said Section 9 to a bottom hole location in the NE/4 NW/4 (Unit C) of said Section 4; • The Holyfield 9 Fed Com #309H well (API No. 30-025-pending) to be drilled from a surface hole location in SE/4 SW/4 (Unit N) of said Section 9 to a bottom hole location in the NW/4 NW/4 (Unit D) of said Section 4; and • The Holyfield 9 Fed Com #310H well (API No. 30-025-pending), and the Holyfield 9 Fed Com #311H well (API No. 30-025-pending), to be drilled from a surface hole location in SW/4 SW/4 (Unit M) of said Section 9 to a bottom hole location in the NW/4 NW/4 (Unit D) of said Section 4. The completed interval for the proposed Holyfield 9 Fed Com #309H well will remain within 330 feet of the quarter-quarter line separating the W/2 W/2 from the E/2 W/2 of Sections 4 and 9 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 16 miles west of Jal, New Mexico. |
| 19. | 21858 | <p>Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 4 and 9, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells:</p> <ul style="list-style-type: none"> • The Holyfield 9 Fed Com #701H well (API No. 30-025-47695), and the Holyfield 9 Fed Com #702H well (API No. 30-025-47696), both of which are to be drilled from a common surface hole location in SE/4 SE/4 (Unit P) of said Section 9 to bottom hole locations in the NE/4 NE/4 (Unit A) of said Section 4; and • The Holyfield 9 Fed Com #706H well (API No. 30-025-47700), and the Holyfield 9 Fed Com #707H well (API No. 30-025-pending), both of which are to be drilled from a common surface hole location in SW/4 SE/4 (Unit O) of said Section 9 to bottom hole locations in the NW/4 NE/4 (Unit B) of said Section 4. <p>The completed interval for the proposed Holyfield 9 Fed Com #702H well will remain within 330 feet of the quarter-quarter line separating the E/2 E/2 from the W/2 E/2 of Sections 4 and 9 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 16 miles west of Jal, New Mexico.</p> |
| 20. | 21859 | <p>Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 4 and 9, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells:</p> <ul style="list-style-type: none"> • The Holyfield 9 Fed Com #708H well (API No. 30-025-47701), and the Holyfield 9 Fed Com #709H well (API No. 30-025-47702), both of which are to be drilled from a common surface hole location in SE/4 SW/4 (Unit N) of said Section 9 to a bottom hole location in the NE/4 NW/4 (Unit C) of said Section 4; and • The Holyfield 9 Fed Com #710H well (API No. 30-025-47703), and the Holyfield 9 Fed Com #711H well (API No. 30-025-47704), both of which are to be drilled from a common surface hole |

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| | | <p>location in SW/4 SW/4 (Unit M) of said Section 9 to a bottom hole location in the NW/4 NW/4 (Unit D) of said Section 4.</p> <p>The completed interval for the proposed Holyfield 9 Fed Com #710H well will remain within 330 feet of the quarter-quarter line separating the E/2 E/2 from the W/2 E/2 of Sections 4 and 9 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 16 miles west of Jal, New Mexico.</p> |
| 21. | <p>21860 [Continued to June 17, 2021]</p> | <p>Application of Longfellow Energy, LP for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Yeso formation (Red Lake; Glorieta-Yeso, Northeast [96836]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the N/2 of Section 31, Township 17 South, Range 28 East, NMPM, in Eddy County, New Mexico. Applicant proposes to drill the following wells: (1) Marley State Com 31 AB 001H well, to be horizontally drilled from an approximate surface hole location 1578' FNL and 490' FWL of Section 32, T17S-R28E, to an approximate bottom hole location 361' FNL and 100' FWL of Section 31, T17S-R28E; (2) Marley State Com 31 AB 002H well, to be horizontally drilled from an approximate surface hole location 1603' FNL and 490' FWL of Section 32, T17S-R28E, to an approximate bottom hole location 843' FNL and 100' FWL of Section 31, T17S-R28E; (3) Marley State Com 31 AB 003H well, to be horizontally drilled from an approximate surface hole location 1628' FNL and 490' FWL of Section 32, T17S-R28E, to an approximate bottom hole location 1325' FNL and 100' FWL of Section 31, T17S-R28E; (4) Marley State Com 31 AB 004H well, to be horizontally drilled from an approximate surface hole location 1653' FNL and 490' FWL of Section 32, T17S-R28E, to an approximate bottom hole location 1807' FNL and 100' FWL of Section 31, T17S-R28E; and (5) Marley State Com 31 AB 005H well, to be horizontally drilled from an approximate surface hole location 1678' FNL and 490' FWL of Section 32, T17S-R28E, to an approximate bottom hole location 2288' FNL and 100' FWL of Section 31, T17S-R28E. The completed intervals and first and last take points for all wells will meet the setback requirements set forth in the statewide rules for horizontal oil wells. A depth severance exists in the NW/4 NW4 of Section 31. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 15 miles west of Loco Hills, New Mexico.</p> |
| 22. | 21861 | <p>Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21381, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21203 for the limited purpose of amending Order No. R-21381 to extend by one year, through July 6, 2022, the time to commence drilling the Lonesome Dove Fed Com 322H well (API #30-025-48153), proposed to be drilled into the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying the E/2 NW/4 of Section 17 and the E/2 W/2 of Section 8, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico.</p> |
| 23. | 21862 | <p>Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21382, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21204 for the limited purpose of amending Order No. R-21382 to extend by one year, through July 6, 2022, the time to commence drilling (1) the Lonesome Dove Fed Com 432H well (API # 30-025-48156) and (2) the Lonesome Dove Fed Com 512H well (API # 30-025-PENDING), proposed to be drilled into the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying the E/2 NW/4 of Section 17 and the E/2 W/2 of Section 8, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico.</p> |
| 24. | 21863 | <p>Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21395, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21205 for the limited purpose of amending Order No. R-21395 to extend by one year, through July 22, 2022, the time to commence drilling the Lonesome Dove Fed Com 323H well (API #30-025-48154), proposed to be drilled into the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying the W/2 NE/4 of Section 17 and the W/2 E/2 of Section 8, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico.</p> |
| 25. | 21864 | <p>Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21369, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21206 for the limited purpose of amending Order No. R-21369 to extend by one year, through July 22,</p> |

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| | | 2022, the time to commence drilling (1) the Lonesome Dove Fed Com 403H well (API # 30-025-PENDING) and (2) the Lonesome Dove Fed Com 513H well (API # 30-025-PENDING), proposed to be drilled into the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying the W/2 NE/4 of Section 17 and the W/2 E/2 of Section 8, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. |
| 26. | 21865 | Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21370, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21207 for the limited purpose of amending Order No. R-21370 to extend by one year, through July 22, 2022, the time to commence drilling (1) the Lonesome Dove Fed Com 404H well (API # 30-025-48155), (2) the Lonesome Dove Fed Com 434H well (API # 30-025-PENDING), and (3) the Lonesome Dove Fed Com 514H well (API # 30-025-PENDING), proposed to be drilled into the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying the E/2 NE/4 of Section 17 and the E/2 E/2 of Section 8, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. |
| 27. | 21866 [Dismissed] | Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21381, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21203 for the limited purpose of amending Order No. R-21381 to extend by one year, through July 6, 2022, the time to commence drilling the Lonesome Dove Fed Com 322H well (API #30-025-48153), proposed to be drilled into the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying the E/2 NW/4 of Section 17 and the E/2 W/2 of Section 8, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. |
| 28. | 21867 | Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21371, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21208 for the limited purpose of amending Order No. R-21371 to extend by one year, through July 6, 2022, the time to commence drilling the Cattlemen Fed Com 322H well (API #30-025-48124), proposed to be drilled into the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying 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. |
| 29. | 21868 | Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21372, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21209 for the limited purpose of amending Order No. R-21372 to extend by one year, through July 6, 2022, the time to commence drilling (1) the Cattlemen Fed Com 432H well (API # 30-025-48128) and (2) the Cattlemen Fed Com 512H well (API # 30-025-48130), proposed to be drilled into the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying 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. |
| 30. | 21869 | Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21376, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21210 for the limited purpose of amending Order No. R-21376 to extend by one year, through July 22, 2022, the time to commence drilling the Cattlemen Fed Com 323H well (API #30-025-48125), proposed to be drilled into the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying 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. |
| 31. | 21870 | Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21377, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21211 for the limited purpose of amending Order No. R-21377 to extend by one year, through July 22, 2022, the time to commence drilling (1) the Cattlemen Fed Com 403H well (API # 30-025-48126) and (2) the Cattlemen Fed Com 513H well (API # 30-025-48131), proposed to be drilled into the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying 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. |
| 32. | 21871 | Application of Titus Oil & Gas Production, LLC to Amend Order No. R-21378, Lea County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 21212 for the limited purpose of amending Order No. R-21378 to extend by one year, through July 22, 2022, the time to commence drilling (1) the Cattlemen Fed Com 404H well (API # 30-025-48127), (2) the Cattlemen Fed Com 434H well (API # 30-025-48129), and (3) the Cattlemen Fed Com 514H well (API # 30-025-48132), proposed to be drilled into the Wolfcamp formation (WC- |

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| | | 025 G-09 S263619C; Wolfcamp [98234]) underlying 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. |
| 33. | 21872 [Continued to May 20, 2021] | Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The HSU will be dedicated to the El Campeon Fed Com 404H well, to be horizontally drilled from an approximate surface hole location 558' FSL and 590' FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10' FSL and 1912' FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]. Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The well and lands are located approximately 14 miles southwest of Jal, New Mexico. |
| 34. | 21873 | Application of OXY USA Inc. for approval of 1,277.08-acre non-standard spacing units in the Bone Spring & Wolfcamp formations comprised of acreage subject to a proposed communitization agreement, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order approving 1,277.08-acre non-standard spacing units in the Bone Spring and Wolfcamp formations comprised of acreage subject to a proposed Communitization Agreement underlying Sections 4 and 9, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. The acreage underlying the proposed non-standard spacing units are subject to the following Division designated pools: <ul style="list-style-type: none"> • Pierce Crossing; Bone Spring, East Pool (Pool Code 96473) • Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) The subject area is located approximately 4 miles east of Malaga, New Mexico. |
| 35. | 21878 [Continued to August 19, 2021] | Application of Colgate Operating, LLC, for compulsory pooling in Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests within the West Winchester Bone Spring (Pool Code 97569), underlying the N/2 of Sections 29 and 30, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, on the following wells listed below. These wells are located approximately 17 miles east of Lakewood, New Mexico. <ul style="list-style-type: none"> • Buckhorn 29 State Com 121H This proposed well is a horizontal well with a legal surface location in Units A/H of Section 29, T19S, R28E, and an intended legal bottom hole location in Unit L1 of Section 30, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 7,000 feet and TMD of approximately 17,360 feet, and will target the 2nd Bone Spring. • Buckhorn 29 State Com 122H This proposed well is a horizontal well with a legal surface location in Units A/H of Section 29, T19S, R28E, and an intended legal bottom hole location in Unit L2 of Section 30, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 7,000 feet and TMD of approximately 17,360 feet, and will target the 2nd Bone Spring. • Buckhorn 29 State Com 131H This proposed well is a horizontal well with a legal surface location in Units A/H of Section 29, T19S, R28E, and an intended legal bottom hole location in Unit L1 of Section 30, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 8,200 feet and TMD of approximately 18,560 feet, and will target the 3rd Bone Spring. • Buckhorn 29 State Com 132H This proposed well is a horizontal well with a legal surface location in Units A/H of Section 29, T19S, R28E, and an intended legal bottom hole location in Unit L2 of Section 30, T19S, R28E, Eddy County, New Mexico. It will have a TVD of approximately 8,200 feet and TMD of approximately 18,560 feet, and will target the 3rd Bone Spring. |
| 36. | 21879 | Application of Devon Energy Production Company, L.P., for compulsory pooling, non-standard spacing and proration unit, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests within the Wolfcamp formation (WC-025 G-08 S243217P;UPR WC) (Pool Code |

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| | | <p>98248), underlying E/2 of Sections 30 and 19, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, on the following wells listed below. These wells are located approximately 21 miles east of Loving, New Mexico.</p> <p>A. Magic Cat 30-19 Fed Com 623H The surface location for this well is proposed to be approximately 240' FSL and 1966' FEL and 190' FNL, Section 30-T23S-R32E, and a bottom hole location at approximately 20' FNL and 1650' FEL, Section 19-T23S-R32E. The dedicated horizontal spacing unit will be the E/2 of Section 30 and the E/2 of Section 19-T23S-R32E, Lea County, New Mexico.</p> <p>B. Magic Cat 30-19 Fed Com 624H The surface location for this well is proposed to be approximately 240' FSL and 611' FEL, Section 30-T23S-R32E, and a bottom hole location at approximately 20' FNL and 330' FEL, Section 19-T23S-R32E. The dedicated horizontal spacing unit will be the E/2 of Section 30 and the E/2 of Section 19-T23S-R32E, Lea County, New Mexico.</p> <p>C. Magic Cat 30-19 Fed Com 713H The surface location for this well is proposed to be approximately 240' FSL and 1999' FEL, Section 30-T23S-R32E, and a bottom hole location at approximately 20' FNL and 2309' FEL, Section 19-T23S-R32E. The dedicated horizontal spacing unit will be the E/2 of Section 30 and the E/2 of Section 19-T23S-R32E, Lea County, New Mexico.</p> <p>D. Magic Cat 30-19 Fed Com 714H The surface location for this well is proposed to be approximately 240' FSL and 644' FEL, Section 30-T23S-R32E, and a bottom hole location at approximately 20' FNL and 990' FEL, Section 19-T23S-R32E. The dedicated horizontal spacing unit will be the E/2 of Section 30 and the E/2 of Section 19-T23S-R32E, Lea County, New Mexico.</p> |
| <p>37.</p> | <p>21880 [Continued to May 20, 2021]</p> | <p>Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks to pool uncommitted interests from the top of the Yeso formation (at a stratigraphic equivalent of approximately 3,511' MD as observed on the Rio Cinco 26 State #1 Platform Express, Compensated Neutron Lithodensity well log (API No. 30-015-31043)) to a depth of approximately 4,000' in a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 27, Township 17 South, Range 28 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: (1) Halberd A 27 State 1H, which will be horizontally drilled from a surface location in Unit A of Section 28 to a bottom hole location in Unit A of Section 27; and (2) Halberd A 27 State 10H, which will be horizontally drilled from a surface location in Unit A of Section 28 to a bottom hole location in Unit A of Section 27. The completed interval of the Halberd A 27 State 10H well will be within 330' of the line separating the N/2N/2 from the S/2N/2 of Section 27 to allow inclusion of this acreage into a standard 320-acre horizontal spacing unit. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 10 miles west of Loco Hills, New Mexico.</p> |
| <p>38.</p> | <p>21881 [Continued to May 20, 2021]</p> | <p>Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks to pool uncommitted interests from a depth of approximately 4,000' to the base of the Yeso formation (at a stratigraphic equivalent of approximately 5,568' MD as observed on the Rio Cinco 26 State #1 Platform Express, Compensated Neutron Lithodensity well log (API No. 30-015-31043)) in a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 27, Township 17 South, Range 28 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: (1) Halberd A 27 State 50H, which will be horizontally drilled from a surface location in Unit A of Section 28 to a bottom hole location in Unit A of Section 27; (2) Halberd A 27 State 70H, which will be horizontally drilled from a surface location in Unit A of Section 28 to a bottom hole location in Unit A of Section 27; (3) Halberd A 27 State 90H, which will be horizontally drilled from a surface location in Unit A of Section 28 to a bottom hole location in Unit A of Section 27; (4) Halberd B 27 State 51H, which will be horizontally drilled from a surface location in Unit E of Section 26 to a bottom hole location in Unit E of Section 27; (5) Halberd B 27 State 71H, which will be horizontally drilled from a surface location in Unit E of Section 26 to a bottom hole location in Unit E of Section 27; and (6) Halberd B 27 State 91H, which will be horizontally drilled from a surface location in Unit E of Section 26 to a bottom hole location in Unit E of Section 27. The completed interval of the Halberd A State 70H well will be within 330' of the line separating the N/2N/2 from the S/2N/2 of Section 27 to allow inclusion of this acreage into a 320-acre horizontal spacing unit. The completed interval of the Halberd B State 71H well will be unorthodox. The competed intervals</p> |

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| | | of the Halberd A 27 State 50H, 70H, 90H wells, and Halberd B 27 State 51H and 91H wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 10 miles west of Loco Hills, New Mexico. |
| 39. | 21882 | Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks to pool uncommitted interests from a depth of approximately 4,000' to the base of the Yeso formation (at a stratigraphic equivalent of approximately 5,568' MD as observed on the Rio Cinco 26 State #1 Platform Express, Compensated Neutron Lithodensity well log (API No. 30-015-31043)) in a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 of Section 27, Township 17 South, Range 28 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: (1) Halberd C 27 State 52H, which will be horizontally drilled from a surface location in Unit I of Section 28 to a bottom hole location in Unit I of Section 27; (2) Halberd C 27 State 92H, which will be horizontally drilled from a surface location in Unit I of Section 28 to a bottom hole location in Unit I of Section 27; (3) Halberd D 27 State 72H, which will be horizontally drilled from a surface location in Unit P of Section 28 to a bottom hole location in Unit P of Section 27; and (4) Halberd D 27 State 53H, which will be horizontally drilled from a surface location in Unit P of Section 28 to a bottom hole location in Unit P of Section 27. The completed interval of the Halberd D 27 State 72H well will be within 330' of the line separating the N/2S/2 from the S/2S/2 of Section 27 to allow inclusion of this acreage into a 320-acre horizontal spacing unit. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 10 miles west of Loco Hills, New Mexico. |
| 40. | 21883 | Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks to pool uncommitted interests from the top of the Yeso formation (at a stratigraphic equivalent of approximately 3,511' MD as observed on the Rio Cinco 26 State #1 Platform Express, Compensated Neutron Lithodensity well log (API No. 30-015-31043)) to a depth of approximately 4,000' in a 160-acre, more or less, standard horizontal spacing unit comprised of the N/2S/2 of Section 27, Township 17 South, Range 28 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Halberd C 27 State 11H well, which will be horizontally drilled from a surface location in Unit I of Section 28 to a bottom hole location in Unit I of Section 27. The completed interval of the well will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 10 miles west of Loco Hills, New Mexico. |
| 41. | 21884 [Continued to May 20, 2021] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 18 and the N/2N2 of Section 17, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Local Legend 18/17 B2DA Fed. Com. Well No. 1H, a horizontal well a first take point in the NW/4NW/4 of Section 18 and a last take point in the NE/4NE/4 of Section 17. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 6-1/2 miles southeast of Loco Hills, New Mexico. |
| 42. | 21885 [Continued to May 20, 2021] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 18 and the S/2N2 of Section 17, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Local Legend 18/17 B2EH Fed. Com. Well No. 1H, a horizontal well a first take point in the SW/4NW/4 of Section 18 and a last take point in the SE/4NE/4 of Section 17. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, |

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| | | and equipping the well. The unit is located approximately 6-1/2 miles southeast of Loco Hills, New Mexico. |
| 43. | 21886 [Continued to May 20, 2021] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 18 and the N/2S2 of Section 17, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Local Legend 18/17 B2LI Fed. Com. Well No. 1H, a horizontal well a first take point in the NW/4SW/4 of Section 18 and a last take point in the NE/4SE/4 of Section 17. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 7 miles southeast of Loco Hills, New Mexico. |
| 44. | 21887 [Continued to May 20, 2021] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 18 and the S/2S2 of Section 17, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Local Legend 18/17 B2MP Fed. Com. Well No. 1H, a horizontal well a first take point in the SW/4SW/4 of Section 18 and a last take point in the SE/4SE/4 of Section 17. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 7 miles southeast of Loco Hills, New Mexico. |
| 45. | 21888 [Continued to June 17, 2021] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the SE/4 of Section 5 and the S/2 of Section 4, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to the following wells: (a) The Tough Ombres 5/4 W0RQ Fed. Com. Well No. 1H, with a first take point in the NW/4SE/4 of 5 and a final take point in the NE/4SE/4 of Section 4; and (b) The Tough Ombres 5/4 W0WX Fed. Com. Well No. 1H, with a first take point in the SW/4SE/4 of 5 and a final take point in the SE/4SE/4 of Section 4. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately 6-1/2 miles north-northeast of Carlsbad, New Mexico. |
| 46. | 21889 [Continued to May 20, 2021] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the N/2S/2 of Section 36 and the N/2SE/4 of Section 35, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the Easy Company 36/35 W0IJ Fed Com. Well No. 1H, with a first take point in the NE/4SE/4 of 36 and a last take point in the NW/4SE/4 of Section 35. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 9-1/2 miles north-northeast of Carlsbad, New Mexico. |
| 47. | 21890 [Continued to May 20, 2021] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the S/2S/2 of Section 36 and the S/2SE/4 of Section 35, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the Easy Company 36/35 W0PO Fed Com. Well No. 1H, with a first take point in the SE/4SE/4 of 36 and a last take point in the SW/4SE/4 of Section 35. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 9-1/2 miles north-northeast of Carlsbad, New Mexico. |

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| <p>48.</p> | <p>21891 [Continued to May 20, 2021]</p> | <p>Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order of all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 9 and the N/2S/2 of Section 10, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Perazzi 9-10 B2LI Fed. Com. Well No. 1H, a horizontal well with a first take point in the NW/4SW/4 of Section 9 and a last take point in the NE/4SE/4 of Section 10. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 15 miles east-southeast of Lakewood, New Mexico.</p> |
| <p>49.</p> | <p>21892 [Continued to May 20, 2021]</p> | <p>Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order of all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 9 and the N/2S/2 of Section 10, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Perazzi 9-10 WOLI Fed. Well No. 1H, a horizontal well with a first take point in the NW/4SW/4 of Section 9 and a last take point in the NE/4SE/4 of Section 10. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 15-1/2 miles east-southeast of Lakewood, New Mexico.</p> |
| <p>50.</p> | <p>21893 [Continued to May 20, 2021]</p> | <p>Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order of all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 9 and the S/2S/2 of Section 10, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Perazzi 9-10 B2MP Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4SW/4 of Section 9 and a last take point in the SE/4SE/4 of Section 10. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 15-1/2 miles east-southeast of Lakewood, New Mexico.</p> |
| <p>51.</p> | <p>21894 [Continued to May 20, 2021]</p> | <p>Application of Manzano LLC for compulsory pooling, Lea County New Mexico. Manzano LLC seeks an order of all mineral interests in the San Andres formation underlying a (proximity tract) horizontal spacing unit comprised of the W/2 of Section 23 and the W/2 of Section 14, Township 12 South, Range 38 East, NMPM. The unit will be dedicated to the Trinity State Com. Well No. 4H, to be drilled to a depth sufficient to test the San Andres formation, and to dedicate the W½ of Section 23 and the W½ of Section 14 to the well. The well is a horizontal well, with a first take point 100 feet from the south line and 1425 feet from the west line (in the SE¼SW¼) of Section 23, and a last take point 100 feet from the north line and 1204 feet from the west line (in the NW¼NW¼) of Section 14. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 12-1/2 miles east of Tatum, New Mexico.</p> |
| <p>52.</p> | <p>21895 [Continued to May 20, 2021]</p> | <p>Application of Tap Rock Resources, LLC for a compulsory pooling, Lea County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 18 and the W/2E/2 of Section 19, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. The unit will be dedicated Black Marlin Fed. Com. Well Nos. 203H, 206H, and 213H, to be drilled to a depth sufficient to test the Wolfcamp formation. The wells have first take points in the NW/4NE/4 of Section 18 and last take points in the SW/4SE/4 of Section 19. Applicant seeks to dedicate the W/2E/2 of Section 18 and the W/2E/2 of Section 19 to the wells. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately 6 miles west-northwest of Jal, New Mexico.</p> |

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| 53. | <p>21896 [Continued to May 20, 2021]</p> | <p>Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 28, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to has drilled or proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation: (a) The Thor 28 WXY Fee Well No. 1H, with a first take point in the SE/4SW/4, and a last take point in the NE/4NW/4; of Section 28; (b) The Thor 28 WA Fee Well No. 3H, with a first take point in the SE/4SW/4, and a last take point in the NE/4NW/4; of Section 28; (c) The Thor 28 WXY Fee Well No. 5H, with a first take point in the SW/4SW/4, and a last take point in the NW/4NW/4; of Section 28; and (d) The Thor 28 WD Fee Well No. 8H, with a first take point in the SW/4SW/4, and a last take point in the NW/4NW/4; of Section 28. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately 1/2 mile south of Loving, New Mexico.</p> |
| 54. | <p>21897 [Continued to May 20, 2021]</p> | <p>Application of Matador Production Company to Amend Order No. R-21271, Eddy County, New Mexico. Matador Production Company seeks an order amending Order No. R-21271, issued on April 28, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to April 30, 2022. Order No. R-21717 pooled mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 21 and the N/2N/2 of Section 22, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, for purposes of drilling the Michael K & B 2122 Fed. Com. Well No. 201H. It requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amendment of the order for good cause shown. The unit is located approximately 13-1/2 miles northeast of Carlsbad, New Mexico.</p> |
| 55. | <p>21898 [Continued to May 20, 2021]</p> | <p>Application of Matador Production Company to Amend Order No. R-21274, Eddy County, New Mexico. Matador Production Company seeks an order amending Order No. R-21274, issued on May 7, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to May 7, 2022. Order No. R-21274 pooled mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 21 and the S/2S/2 of Section 22, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, for purposes of drilling the Michael K & B 2122 Fed. Com. Well No. 204H. It requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amendment of the order for good cause shown. The unit is located approximately 13-1/2 miles northeast of Carlsbad, New Mexico.</p> |
| 56. | <p>21543</p> | <p>Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 320-acre, more or less, spacing unit comprised of the S/2 of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Norris Thornton Com RB #204H well (API No. 30-015-44659) to be drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 23 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 23. The completed interval of the well will comply with the setback requirements of the Special Rules for the Purple Sage Wolfcamp Pool. Also to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 8 miles south of Carlsbad, New Mexico.</p> |
| 57. | <p>21560</p> | <p>Application of Flat Creek Resources, LLC, for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a 480-acre, more or less, standard horizontal spacing and proration unit comprised of the N/2 and N/2 S/2 of Section 23, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico and (2) pooling all mineral interests in the Wolfcamp formation, a gas field, underlying the unit. Said horizontal spacing unit is to be dedicated to 3 wells. Flat Creek proposes the Thirteen Seconds 23 Fed-Fee 701H Well, to be horizontally drilled from a surface location in NW/4 NW/4 (Unit D) of Section 23 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 23; the Thirteen Seconds 23 Fed-Fee 702H Well, to be horizontally drilled from a surface location in NW/4 NW/4 (Unit D) of Section 23 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 23; and the Thirteen Seconds 23 Fed-Fee 703H</p> |

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| | | Well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 23 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 23. The completed intervals for the proposed wells will be nonstandard in relation to the setback requirements imposed by the Special Rules for the Purple Sage Gas Pool. Flat Creek will apply administratively for approval of the nonstandard location. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 3 miles west of Loving, New Mexico. |
| 58. | 21630 | Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 of Section 23, Township 23 South, Range 27 East, Eddy County, New Mexico. The above-referenced unit will be dedicated to the following proposed initial wells: (1) the Colonel R. Howard Fed Com #201H well, to be drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 23 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 23; and (2) the Colonel R. Howard Fed Com #202H well, to be drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 23 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 23. The completed interval of the well will comply with the setback requirements of the Special Rules for the Purple Sage Wolfcamp Pool. Also to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 8 miles south of Carlsbad, New Mexico. |
| 59. | 21747 | Application of Flat Creek Resources, LLC, for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a 320-acre, more or less, standard horizontal spacing and proration unit comprised of the N/2 of Section 23, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico and (2) pooling all mineral interests in the Wolfcamp formation, a gas field, underlying the unit. Said horizontal spacing unit is to be dedicated to two wells. Flat Creek proposes the Thirteen Seconds 23 Fed-Fee 701H Well, to be horizontally drilled from a surface location in NW/4 NW/4 (Unit D) of Section 23 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 23; and the Thirteen Seconds 23 Fed-Fee 702H Well, to be horizontally drilled from a surface location in NW/4 NW/4 (Unit D) of Section 23 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 23. The completed intervals for the proposed wells will be nonstandard in relation to the setback requirements imposed by the Special Rules for the Purple Sage Gas Pool. Flat Creek will apply administratively for approval of the nonstandard location. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 3 miles west of Loving, New Mexico. |
| 60. | 21670 | Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 21, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells: <ul style="list-style-type: none"> • The Galleon 21 Fed #301H well and the Galleon 21 Fed #302H well to be drilled from a common surface hole location in SW/4 SW/4 (Unit M) of said Section 21 to bottom hole locations in the NW/4 NW/4 (Unit D) of said Section 21; and • The Galleon 21 Fed #303H well, to be drilled from a surface hole location in SW/4 SW/4 (Unit M) of said Section 21 to bottom hole locations in the NE/4 NW/4 (Unit C) of said Section 21. The completed interval for the proposed Galleon 21 Fed #302H well will remain within 330 feet of the quarter-quarter line separating the W/2 W/2 from the E/2 W/2 of Section 21 to allow inclusion of this acreage into a standard 320-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, |

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| | | and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 17 miles southeast of Galleon, New Mexico. |
| 61. | 21634 [Continued to July 15, 2021] | Application of Tamaroa Operating, LLC for Approval of a Non-Standard Spacing and Proration Unit and Compulsory Pooling, Chaves County, New Mexico. Applicant seeks an order: (1) approving an 80-acre, more or less, non-standard spacing and proration unit comprised of the NW/4 NW/4 of Section 29 and the NE/4 NE/4 of Section 30, Township 9 South, Range 29 East in Chaves County; and (2) pooling all uncommitted interests in all formations from the surface through the Devonian formation underlying the proposed non-standard spacing unit. Applicant proposes to dedicate the spacing unit to the Heritage Park #1 well, which will be vertically drilled from a surface location 660' FNL and 10' FEL in Section 30. The completed interval for the well will comply with the Division's standard setback requirements. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Tamaroa Operating, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The proposed well is located approximately 26 miles east of Roswell, New Mexico. |
| 62. | 21836 [Continued to July 15, 2021] | Application of Plains Radio Petroleum Co. for approval of a standard spacing and proration unit and compulsory pooling, Chaves County, New Mexico. Applicant seeks an order approving a standard 40 acre spacing and proration unit comprised of the NW4/NW4 of Section 29, Township 9 South, Range 29 East dedicated to the Plainview 29 #1 well. The application requests pooling all uncommitted interests in all formations from the surface through the Devonian formation underlying the proposed unit; designating Plains Radio as the operator of the proposed unit; and denying the competing application filed by Tamaroa Operating, LLC currently pending in Case No. 21634 before the Division. The well is to be located approximately 26 miles east of Roswell, New Mexico. |
| 63. | 21669 | Hearing on Notice of Violation issued to Flare Oil, Inc. |

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on May 13, 2021:

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/s/ Sharon T. Shaheen

Sharon T. Shaheen

7.

DOCKET: OIL CONSERVATION DIVISION HEARINGS - Thursday, May 20, 2021

8:15 a.m.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e3b25a139dc7aa008bb138862e09e71bb>

Event number: 187 657 2395

Event password: sYG2AS8TxP8

Join by video: [1876572395@nmemnrd.webex.com](https://nmemnrd.webex.com/join/1876572395)

Numeric Password: 356087

You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free

Access code: 187 657 2395

Applications for hearing shall be filed at least thirty (30) days in advance of the hearing date. A party who intends to present evidence shall file a pre-hearing statement no later than the close of business on the Thursday prior to the hearing date and serve a copy on the other parties, if any. The hearing examiner will dismiss the application if the applicant does not file and serve a pre-hearing statement as specified above.

NOTICE: The hearing examiner may call the following cases in any order in his or her discretion.

| | Case Number | Description |
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| 1. | 21837 [Status Conference] | Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring standard horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring standard horizontal spacing unit underlying the N/2 N/2 of Sections 25 and 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico. This standard spacing unit will be dedicated to the Camacho 25-26 State Com 201H and Camacho 25-26 State Com 301H wells, to be horizontally drilled. The producing intervals for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16 miles southeast of Artesia, New Mexico. |
| 2. | 21838 [Status Conference] | Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring standard horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring standard horizontal spacing unit underlying the S/2 N/2 of Sections 25 and 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico. This standard spacing unit will be dedicated to the Camacho 25-26 State Com 202H and Camacho 25-26 State Com 302H wells, to be horizontally drilled. The producing intervals for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16 miles southeast of Artesia, New Mexico. |
| 3. | 21839 [Status Conference] | Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring standard horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring standard horizontal spacing unit underlying the N/2 S/2 of Sections 25 and 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico. This standard spacing unit will be dedicated to the Camacho 25-26 State Com 203H and Camacho 25-26 State Com 303H wells, to be horizontally drilled. The producing intervals for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16 miles southeast of Artesia, New Mexico. |

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| 4. | 21840 [Status Conference] | Application of Apache Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring standard horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within a Bone Spring standard horizontal spacing unit underlying the S/2 S/2 of Sections 25 and 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico. This standard spacing unit will be dedicated to the Camacho 25-26 State Com 204H and Camacho 25-26 State Com 304H wells, to be horizontally drilled. The producing intervals for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16 miles southeast of Artesia, New Mexico. |
| 5. | 21654 [Status Conference] | Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation, WC-025 G-07 S243517D; MIDDLE BONE SPRING [98294], underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2W/2 of Sections 28 and 33, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the horizontal spacing unit to the to the following proposed wells: Coonskin Federal Com 401H well to be horizontally drilled from a surface hole location in the NW/4NW/4 (Unit D) of Section 28 to a bottom hole location in the SW/4SW/4 (Unit M) of Section 33, and Coonskin Federal Com 501H well to be horizontally drilled from a surface hole location in the NW/4NW/4 (Unit D) of Section 28 to a bottom hole location in the SW/4SW/4 (Unit M) of Section 33. Also to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 12 miles Northwest of Jal, New Mexico. |
| 6. | 21655 [Status Conference] | Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation, WC-025 G-07 S243517D; MIDDLE BONE SPRING [98294], underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2W/2 of Sections 28 and 33, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the horizontal spacing unit to the to the following proposed wells: Coonskin Federal Com 402H well to be horizontally drilled from a surface hole location in the NE/4NW/4 (Unit C) of Section 28 to a bottom hole location in the SE/4SW/4 (Unit N) of Section 33, and Coonskin Federal Com 502H well to be horizontally drilled from a surface hole location in the NE/4NW/4 (Unit C) of Section 28 to a bottom hole location in the SE/4SW/4 (Unit N) of Section 33. Also to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 12 miles Northwest of Jal, New Mexico. |
| 7. | 21659 [Status Conference] | Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation, Antelope Ridge; Wolfcamp pool (Pool code 2220), underlying a standard 279.98-acre, more or less, horizontal spacing unit comprised of E/2E/2 of Sections 4 and 9, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. COG Operating LLC seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells: <ul style="list-style-type: none"> • The Picasso Fed Com 701H well to be horizontally drilled from a surface hole location in the NE/4NE/4 (Unit A) of Section 4 to a bottom hole location in the NE/4SE/4 (Unit I) of Section 9, and • The Picasso Fed Com 702H well to be horizontally drilled from a surface hole location in the NE/4NE/4 (Unit A) of Section 4 to a bottom hole location in the NE/4SE/4 (Unit I) of Section 9. Also, to be considered will be the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator of the wells, and the imposition of 200% charge for risk involved in drilling and completing said wells. Said area is located approximately 18 miles northwest of Jal, New Mexico. |
| 8. | 21660 [Status Conference] | Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled causes seeks an order pooling all uncommitted interests in the Wolfcamp formation, Antelope Ridge; Wolfcamp pool (Pool code 2220), underlying a standard 319.94-acre, more or less, horizontal spacing unit comprised of W/2E/2 of Sections 4 and 9, Township 24 |

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| | | South, Range 34 East, NMPM, Lea County, New Mexico. COG proposes to dedicate the above-referenced horizontal spacing unit to the Picasso Fed Com 703H well to be horizontally drilled from a surface hole location in the NW/4NE/4 (Unit B) of Section 4 to a bottom hole location in the SW/4SE/4 (Unit O) of Section 9. Also, to be considered will be the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator of the wells, and the imposition of 200% charge for risk involved in drilling and completing said wells. Said area is located approximately 18 miles northwest of Jal, New Mexico. |
| 9. | 21661 [Status Conference] | Application of COG Operating 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 formation, Red Hills; Bone Spring, North pool (Pool code 96434), underlying a standard 279.98-acre, more or less, horizontal spacing unit comprised of E/2E/2 of Sections 4 and 9, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. COG Operating LLC seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells: <ul style="list-style-type: none"> • The Picasso Fed Com 401H well to be horizontally drilled from a surface hole location in the NE/4NE/4 (Unit A) of Section 4 to a bottom hole location in the NE/4SE/4 (Unit I) of Section 9, and • The Picasso Fed Com 501H well to be horizontally drilled from a surface hole location in the NE/4NE/4 (Unit A) of Section 4 to a bottom hole location in the NE/4SE/4 (Unit I) of Section 9. Also, to be considered will be the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator of the wells, and the imposition of 200% charge for risk involved in drilling and completing said wells. Said area is located approximately 18 miles northwest of Jal, New Mexico. |
| 10. | 21662 [Status Conference] | Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled causes seeks an order pooling all uncommitted interests in the Bone Spring formation, Red Hills; Bone Spring, North pool (Pool code 96434), underlying a standard 319.94-acre, more or less, horizontal spacing unit comprised of W/2E/2 of Sections 4 and 9, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. COG Operating LLC seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells: <ul style="list-style-type: none"> • The Picasso Fed Com 402H well to be horizontally drilled from a surface hole location in the NW/4NE/4 (Unit B) of Section 4 to a bottom hole location in the SW/4SE/4 (Unit O) of Section 9, and • The Picasso Fed Com 502H well to be horizontally drilled from a surface hole location in the NW/4NE/4 (Unit B) of Section 4 to a bottom hole location in the SW/4SE/4 (Unit O) of Section 9. Also, to be considered will be the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator of the wells, and the imposition of 200% charge for risk involved in drilling and completing said wells. Said area is located approximately 18 miles northwest of Jal, New Mexico. |
| 11. | 20424 [Continued to June 17, 2021] | Pool all uncommitted interests in the Bone Spring formation underlying a 480-acre standard horizontal spacing unit comprised of the W/2 of Section 21 and the NW/4 of Section 28, T22S, R32E, to be dedicated to ten Roadrunner 21 Fed wells |
| 12. | 21566 [Dismissed] | Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 24 and 25, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells: <ul style="list-style-type: none"> • The Red Raider 25 State Com #501H well to be drilled from a surface hole location in SE/4 SE/4 (Unit P) of said Section 25 to a bottom hole location in the NW/4 NE/4 (Unit B) of said Section 24; and • The Red Raider 25 State Com #502H well and the Red Raider 25 State Com #503H well, to be drilled from a common surface hole location in SE/4 SE/4 (Unit P) of said Section 25 to bottom hole locations in the NE/4 NE/4 (Unit A) of said Section 24. The completed interval for the proposed Red Raider 25 State Com #502H well will remain within 330 feet of the quarter-quarter line separating the E/2 E/2 from the W/2 E/2 of Sections 24 and 25 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as |

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| | | operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 15 miles west of Jal, New Mexico. |
| 13. | 21784 [Continued to June 17, 2021] | Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 28 and 33, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following wells, both of which have been drilled from a common surface hole location in NW/4 NW/4 (Unit D) of said Section 28 to bottom hole locations in the SW/4 SW/4 (Unit M) of said Section 33: (1) the Stonewall 28 Fed Com #301H well (API No. 30-025-44866), and (2) the Stonewall 28 Fed Com #302H well (API No. 30-025-44867). The completed interval for the Stonewall 28 Fed Com #302H well is at a non-standard location and has been approved by the Division in Administrative Order NSL-7768. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 17 miles northwest of Jal, New Mexico. |
| 14. | 21785 [Continued to June 17, 2021] | Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Sections 28 and 33, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the initial Stonewall 28 Fed Com #308H well (API No. 30-025-44873), which has been drilled from a surface hole location in NE/4 NW/4 (Unit C) of said Section 28 to a bottom hole location in the SE/4 SW/4 (Unit N) of said Section 33. The completed interval for the well will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing the well. Said area is located approximately 17 miles northwest of Jal, New Mexico. |
| 15. | 21786 [Continued to June 17, 2021] | Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 28 and 33, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the initial Stonewall 28 Fed Com #309H well (API No. 30-025-44926), which has been drilled from a surface hole location in NW/4 NE/4 (Unit B) of said Section 28 to a bottom hole location in the SW/4 SE/4 (Unit O) of said Section 33. The completed interval for the well will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing the well. Said area is located approximately 17 miles northwest of Jal, New Mexico. |
| 16. | 21787 [Continued to June 17, 2021] | Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 28 and 33, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following wells, both of which have been drilled from a common surface hole location NE/4 NE/4 (Unit A) of said Section 28 to bottom hole locations in the SE/4 SE/4 (Unit P) of said Section 33: (1) the Stonewall 28 Fed Com #313H well (API No. 30-025-44874), and the Stonewall 28 Fed Com #314H well (API No. 30-025-44875). The completed interval for the Stonewall 28 Fed Com #313H well is at a non-standard location and has been approved by the Division in Administrative Order NSL-8062. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 17 miles northwest of Jal, New Mexico. |

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| 17. | 21817 | Application of Kaiser-Francis Oil Company for compulsory pooling, Lea County, New Mexico. Kaiser-Francis Oil Company seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the SE/4 of Section 6 and the E/2 of Section 7, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico. The unit will be dedicated to the Bell Lake Unit – South Block Well No. 411H, with a first take point in the NW/4SE/4 of Section 6 and a last take point in the SW/4SE/4 of Section 7. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 21-1/2 miles southwest of Eunice, New Mexico. |
| 18. | 21818 | Application of Kaiser-Francis Oil Company for compulsory pooling, Lea County, New Mexico. Kaiser-Francis Oil Company seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the SW/4 of Section 6 and the W/2 of Section 7, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico. The unit will be dedicated to the Bell Lake Unit – South Block Well No. 409H, with a first take point in the NE/4SW/4 of Section 6 and a last take point in the SE/4SW/4 of Section 7. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 22 miles southwest of Eunice, New Mexico. |
| 19. | 21819 | Application of Kaiser-Francis Oil Company for compulsory pooling, Lea County, New Mexico. Kaiser-Francis Oil Company seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the SW/4 of Section 6 and the W/2 of Section 7, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico. The unit will be dedicated to the Bell Lake Unit – South Block Well Nos. 207H, 208H, 209H, and 408H, with first take points in the N/2SW/4 of Section 6 and last take points in the S/2SW/4 of Section 7. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately 22 miles southwest of Eunice, New Mexico. |
| 20. | 21894 | Application of Manzano LLC for compulsory pooling, Lea County New Mexico. Manzano LLC seeks an order of all mineral interests in the San Andres formation underlying a (proximity tract) horizontal spacing unit comprised of the W/2 of Section 23 and the W/2 of Section 14, Township 12 South, Range 38 East, NMPM. The unit will be dedicated to the Trinity State Com. Well No. 4H, to be drilled to a depth sufficient to test the San Andres formation, and to dedicate the W½ of Section 23 and the W½ of Section 14 to the well. The well is a horizontal well, with a first take point 100 feet from the south line and 1425 feet from the west line (in the SE¼SW¼) of Section 23, and a last take point 100 feet from the north line and 1204 feet from the west line (in the NW¼NW¼) of Section 14. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 12-1/2 miles east of Tatum, New Mexico. |
| 21. | 21387 [Continued to August 19, 2021] | Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the S/2 of Sections 5 and 6, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Decimus 5 WXY Fed Com 1H and Decimus 5 WXY Fed Com 2H wells, to be horizontally drilled. The producing area for these wells will be unorthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 4 miles Northwest of Loving, New Mexico. |
| 22. | 21108 | Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a |

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| | | horizontal spacing unit comprised of the N/2S/2 of Section 15 and the N/2S/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Ted 1514 Fed. Com. Well No. 123H, with a first take point in the NW/4SW/4 of Section 15 and a final take point in the NE/4SE/4 of Section 14. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is centered approximately 19 miles east-southeast of Lakewood, New Mexico. |
| 23. | 21110 | Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 15 and the S/2S/2 of Section 14, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Ted 1514 Fed. Com. Well No. 124H, with a first take point in the SW/4SW/4 of Section 15 and a final take point in the SE/4SE/4 of Section 14. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is centered approximately 19 miles east-southeast of Lakewood, New Mexico. |
| 24. | 21631 [Status Conference] | Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 28 and 33, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Noel Fed Com #111H well to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 33 to a bottom hole location in NW/4 NW/4 (Unit D) of Section 28. The completed interval of this well will comply with standard setback requirements for oil wells. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 11 miles northwest of Jal, New Mexico. |
| 25. | 21632 [Status Conference] | Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Sections 28 and 33, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Noel Fed Com #112H well to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 33 to a bottom hole location in NE/4 NW/4 (Unit C) of Section 28. The completed interval of this well will comply with standard setback requirements for oil wells. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 11 miles northwest of Jal, New Mexico. |
| 26. | 21754 [Status Conference] | Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Sections 23 and 24, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Yellowknife 2324 Fed Com #201H Well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 23 to bottom hole location in the NE/4 NE/4 (Unit A) of Section 24. The completed interval of the well will comply with the standard setbacks required by the statewide rules. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located near the city limits of Carlsbad, New Mexico. |
| 27. | 21755 [Status Conference] | Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Sections 23 and 24, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial |

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| | | Yellowknife 2324 Fed Com #202H Well, to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 23 to bottom hole location in the SE/4 NE/4 (Unit H) of Section 24. The completed interval of the well will comply with the standard setbacks required by the statewide rules. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located near the city limits of Carlsbad, New Mexico. |
| 28. | 21756 [Status Conference] | Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 S/2 of Sections 23 and 24, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Yellowknife 2324 Fed Com #203H Well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 23 to bottom hole location in the NE/4 SE/4 (Unit I) of Section 24. The completed interval of the well will comply with the standard setbacks required by the statewide rules. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located near the city limits of Carlsbad, New Mexico. |
| 29. | 21757 [Status Conference] | Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 S/2 of Sections 23 and 24, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Yellowknife 2324 Fed Com #204H Well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 23 to bottom hole location in the SE/4 SE/4 (Unit P) of Section 24. The completed interval of the well will comply with the standard setbacks required by the statewide rules. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located near the city limits of Carlsbad, New Mexico. |
| 30. | 21874 [Continued to June 17, 2021] | Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 N/2 of Sections 23 and 24, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Yellowknife 2324 Fed Com #121H Well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 23 to bottom hole location in the NE/4 NE/4 (Unit A) of Section 24. The completed interval of the well will comply with the standard setbacks required by the statewide rules. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located near the city limits of Carlsbad, New Mexico. |
| 31. | 21875 [Continued to June 17, 2021] | Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 N/2 of Sections 23 and 24, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Yellowknife 2324 Fed Com #122H Well, to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 23 to bottom hole location in the SE/4 NE/4 (Unit H) of Section 24. The completed interval of the well will comply with the standard setbacks required by the statewide rules. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located near the city limits of Carlsbad, New Mexico. |
| 32. | 21876 [Continued to June 17, 2021] | Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 S/2 of Sections 23 and 24, Township 21 South, Range 27 East, NMPM, |

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| | | Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Yellowknife 2324 Fed Com #123H Well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 23 to bottom hole location in the NE/4 SE/4 (Unit I) of Section 24. The completed interval of the well will comply with the standard setbacks required by the statewide rules. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located near the city limits of Carlsbad, New Mexico. |
| 33. | 21877 [Continued to June 17, 2021] | Application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 S/2 of Sections 23 and 24, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to the proposed initial Yellowknife 2324 Fed Com #124H Well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 23 to bottom hole location in the SE/4 SE/4 (Unit P) of Section 24. The completed interval of the well will comply with the standard setbacks required by the statewide rules. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located near the city limits of Carlsbad, New Mexico. |
| 34. | 21897 | Application of Matador Production Company to Amend Order No. R-21271, Eddy County, New Mexico. Matador Production Company seeks an order amending Order No. R-21271, issued on April 28, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to April 30, 2022. Order No. R-21717 pooled mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 21 and the N/2N/2 of Section 22, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, for purposes of drilling the Michael K & B 2122 Fed. Com. Well No. 201H. It requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amendment of the order for good cause shown. The unit is located approximately 13-1/2 miles northeast of Carlsbad, New Mexico. |
| 35. | 21898 | Application of Matador Production Company to Amend Order No. R-21274, Eddy County, New Mexico. Matador Production Company seeks an order amending Order No. R-21274, issued on May 7, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to May 7, 2022. Order No. R-21274 pooled mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 21 and the S/2S/2 of Section 22, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, for purposes of drilling the Michael K & B 2122 Fed. Com. Well No. 204H. It requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amendment of the order for good cause shown. The unit is located approximately 13-1/2 miles northeast of Carlsbad, New Mexico. |
| 36. | 21812 | Application of Matador Production Company to Amend Order No. R-21267, Eddy County, New Mexico. Matador Production Company seeks an order amending Order No. R-21267, issued on April 28, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to April 28, 2022. Order No. R-21267 pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 21 and the N/2N/2 of Section 22, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, for purposes of drilling the Michael K & B 2122 Fed. Com. Well No. 121H. It requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amendment of the order for good cause shown. The unit is located approximately 13-1/2 miles northeast of Carlsbad, New Mexico. |
| 37. | 21813 | Application of Matador Production Company to Amend Order No. R-21268, Eddy County, New Mexico. Matador Production Company seeks an order amending Order No. R-21268, issued on April 28, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to April 28, 2022. Order No. R-21268 pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 21 and the S/2N/2 of Section 22, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, for purposes of drilling the Michael K & B 2122 Fed. Com. Well No. 122H. It requires the commencement of drilling within one year of the date of the order |

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| | | unless the operator obtains an extension by amendment of the order for good cause shown. The unit is located approximately 13-1/2 miles northeast of Carlsbad, New Mexico. |
| 38. | 21814 | Application of Matador Production Company to Amend Order No. R-21270, Eddy County, New Mexico. Matador Production Company seeks an order amending Order No. R-21270, issued on April 28, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to April 28, 2022. Order No. R-21270 pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 21 and the N/2S/2 of Section 22, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, for purposes of drilling the Michael K & B 2122 Fed. Com. Well No. 123H. It requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amendment of the order for good cause shown. The unit is located approximately 13 miles northeast of Carlsbad, New Mexico. |
| 39. | 21815 | Application of Matador Production Company to Amend Order No. R-21269, Eddy County, New Mexico. Matador Production Company seeks an order amending Order No. R-21269, issued on April 28, 2020, to conform to the Amended Order Template currently in use, and to extend the well commencement deadline one year, to April 28, 2022. Order No. R-21269 pooled mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 21 and the S/2S/2 of Section 22, Township 20 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, for purposes of drilling the Michael K & B 2122 Fed. Com. Well No. 124H. It requires the commencement of drilling within one year of the date of the order unless the operator obtains an extension by amendment of the order for good cause shown. The unit is located approximately 13-1/2 miles northeast of Carlsbad, New Mexico. |
| 40. | 21896 [Continued to June 17, 2021] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 28, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to has drilled or proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation: (a) The Thor 28 WXY Fee Well No. 1H, with a first take point in the SE/4SW/4, and a last take point in the NE/4NW/4; of Section 28; (b) The Thor 28 WA Fee Well No. 3H, with a first take point in the SE/4SW/4, and a last take point in the NE/4NW/4; of Section 28; (c) The Thor 28 WXY Fee Well No. 5H, with a first take point in the SW/4SW/4, and a last take point in the NW/4NW/4; of Section 28; and (d) The Thor 28 WD Fee Well No. 8H, with a first take point in the SW/4SW/4, and a last take point in the NW/4NW/4; of Section 28. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately 1/2 mile south of Loving, New Mexico. |
| 41. | 21724 [Status Conference] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 23 and the N/2 of Section 24, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to: (a) the Chile Verde W0DA 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the NW/4NW/4 of Section 23 and a last take point in the NE/4NE/4 of Section 24; and (b) the Chile Verde W0EH 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4NW/4 of Section 23 and a last take point in the SE/4NE/4 of Section 24. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The well unit is located approximately 4-1/2 miles northeast of Carlsbad, New Mexico. |
| 42. | 21725 [Status Conference] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 23 and the S/2 of Section 24, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to: (a) the Chile Verde W0LI 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the NW/4SW/4 of Section 23 and a last take point in the NE/4SE/4 of Section 24; and (b) the Chile Verde W0MP 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4SW/4 of Section 23 and a last take point in the SE/4SE/4 of Section 24. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of |

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| | | the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The well unit is located approximately 4 miles northeast of Carlsbad, New Mexico. |
| 43. | 21769 | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 11 and the W/2 of Section 14, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to: (a) The Delaware Ranch 11/14 W1DM Fed. Com. Well No. 1H, with a first take point in the NW/4NW/4 of Section 11 and a last take point in the SW/4SW/4 of Section 14; and (b) The Delaware Ranch 11/14 W1DM Fed. Com. Well No. 2H, with a first take point in the NW/4NW¼/4 of Section 11 and a last take point in the SW/4SW¼/4 of Section 14. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately 4 miles north-northwest of the intersection of U.S. Highway 285 with the New Mexico/Texas state line. |
| 44. | 21770 | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 35 and the W/2 of Section 26, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to: (a) The Layla 35/26 W0MD Fee Well No. 1H, with a first take point in the SW/4SW/4 of Section 35 and a last take point in the NW/4NW/4 of Section 26; (b) The Layla 35/26 W0NC Fee Well No. 1H, with a first take point in the SE/4SW/4 of Section 35 and a last take point in the NE/4NW/4 of Section 26; and (c) The Layla 35/26 W0NC Fee Well No. 2H, with a first take point in the SE/4SW/4 of Section 35 and a last take point in the NE/4NW/4 of Section 26. Also to be considered will be the cost of drilling, completing and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately 3-1/2 miles north-northeast of Malaga, New Mexico. |
| 45. | 21776 | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 15 and the N/2 of Section 16, Township 22 South, Range 27 East, NMPM. The unit will be dedicated to: (a) the Mighty Ducks 15/16 W0AD State Com. Well No. 1H, with a first take point in the NE/4NE/4 of 15 and a final take point in the NW/4NW/4 of Section 16; and (b) the Mighty Ducks 15/16 W0HE State Com. Well No. 1H, with a first take point in the SE/4NE/4 of 15 and a final take point in the SW/4NW/4 of Section 16. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately 3-1/2 miles north-northwest of Otis, New Mexico. |
| 46. | 21782 | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2SW/4 of Section 25 and the W/2W/2 of Section 36, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the Fleetwood 36/25 B2ML State Com. Well No. 1H, with a first take point in the SW/4SW/4 of Section 36 and a last take point in the NW/4SW/4 of Section 25. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 4 miles south-southeast of Malaga, New Mexico. |
| 47. | 21783 | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2SW/4 of Section 25 and the E/2W/2 of Section 36, Township 24 South, Range 28 East, NMPM. The unit will be dedicated to the Fleetwood 36/25 B2NK State Com. Well No. 1H, with a first take point in the SE/4SW/4 of Section 36 and a last take point in the NE/4SW/4 of Section 25. Also to be considered will be the |

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| | | cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 4 miles south-southeast of Malaga, New Mexico. |
| 48. | 21884 [Status Conference] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2N/2 of Section 18 and the N/2N2 of Section 17, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Local Legend 18/17 B2DA Fed. Com. Well No. 1H, a horizontal well a first take point in the NW/4NW/4 of Section 18 and a last take point in the NE/4NE/4 of Section 17. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 6-1/2 miles southeast of Loco Hills, New Mexico. |
| 49. | 21885 [Status Conference] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2N/2 of Section 18 and the S/2N2 of Section 17, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Local Legend 18/17 B2EH Fed. Com. Well No. 1H, a horizontal well a first take point in the SW/4NW/4 of Section 18 and a last take point in the SE/4NE/4 of Section 17. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 6-1/2 miles southeast of Loco Hills, New Mexico. |
| 50. | 21886 [Status Conference] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 18 and the N/2S2 of Section 17, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Local Legend 18/17 B2LI Fed. Com. Well No. 1H, a horizontal well a first take point in the NW/4SW/4 of Section 18 and a last take point in the NE/4SE/4 of Section 17. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 7 miles southeast of Loco Hills, New Mexico. |
| 51. | 21887 [Status Conference] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 18 and the S/2S2 of Section 17, Township 18 South, Range 31 East, NMPM. The unit will be dedicated to the Local Legend 18/17 B2MP Fed. Com. Well No. 1H, a horizontal well a first take point in the SW/4SW/4 of Section 18 and a last take point in the SE/4SE/4 of Section 17. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 7 miles southeast of Loco Hills, New Mexico. |
| 52. | 21889 [Dismissed] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the N/2S/2 of Section 36 and the N/2SE/4 of Section 35, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the Easy Company 36/35 W0IJ Fed Com. Well No. 1H, with a first take point in the NE/4SE/4 of 36 and a last take point in the NW/4SE/4 of Section 35. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 9-1/2 miles north-northeast of Carlsbad, New Mexico. |

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| 53. | 21890 [Dismissed] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the S/2S/2 of Section 36 and the S/2SE/4 of Section 35, Township 20 South, Range 28 East, NMPM. The unit will be dedicated to the Easy Company 36/35 W0PO Fed Com. Well No. 1H, with a first take point in the SE/4SE/4 of 36 and a last take point in the SW/4SE/4 of Section 35. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 9-1/2 miles north-northeast of Carlsbad, New Mexico. |
| 54. | 21891 | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order of all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 9 and the N/2S/2 of Section 10, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Perazzi 9-10 B2LI Fed. Com. Well No. 1H, a horizontal well with a first take point in the NW/4SW/4 of Section 9 and a last take point in the NE/4SE/4 of Section 10. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 15 miles east-southeast of Lakewood, New Mexico. |
| 55. | 21892 | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order of all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2S/2 of Section 9 and the N/2S/2 of Section 10, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Perazzi 9-10 W0LI Fed. Well No. 1H, a horizontal well with a first take point in the NW/4SW/4 of Section 9 and a last take point in the NE/4SE/4 of Section 10. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 15-1/2 miles east-southeast of Lakewood, New Mexico. |
| 56. | 21893 | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order of all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 9 and the S/2S/2 of Section 10, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Perazzi 9-10 B2MP Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4SW/4 of Section 9 and a last take point in the SE/4SE/4 of Section 10. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 15-1/2 miles east-southeast of Lakewood, New Mexico. |
| 57. | 21766 | Application of Ridge Runner Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant applies for an order pooling all uncommitted mineral interests in the Bone Spring formation in a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 36 and the W/2 SW/4 of Section 25, Township 20 South, Range 35 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to Ridge Runner's proposed Morpheus 25/36 State Com B #1H well, which will be horizontally drilled from a surface location in Unit L of Section 25 to a bottom hole location in Unit M of Section 36. The completed interval of the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Ridge Runner Resources Operating, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The proposed well is located approximately 16 miles Southwest of Hobbs, New Mexico. |
| 58. | 21767 | Application of Ridge Runner Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant applies for an order pooling all uncommitted mineral interests in the Bone Spring formation in a 240-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Section 36 and the E/2 SW/4 of Section 25, Township 20 South, Range 35 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to Ridge |

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| | | <p>Runner's proposed Morpheus 25/36 State Com B #2H well, which will be horizontally drilled from a surface location in Unit L of Section 25 to a bottom hole location in Unit N of Section 36. The completed interval of the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Ridge Runner Resources Operating, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The proposed well is located approximately 16 miles Southwest of Hobbs, New Mexico.</p> |
| 59. | <p>21768 [Continued to June 17, 2021]</p> | <p>Application of Ridge Runner Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant applies for order pooling all uncommitted mineral interests in the Bone Spring formation in a 480-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Section 36 and the SE/4 of Section 25, Township 20 South, Range 35 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: Morpheus 25/36 State Com B #3H well, which will be horizontally drilled from a surface location in Unit I of Section 25 to a bottom hole location in Unit O of Section 36; and Morpheus 25/36 State Com B #4H well, which will be horizontally drilled from a surface location in Unit I of Section 25 to a bottom hole location in Unit P of Section 36. The completed intervals of the wells will be orthodox. Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs, the designation of Ridge Runner Resources Operating, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The proposed wells are located approximately 16 miles Southwest of Hobbs, New Mexico.</p> |
| 60. | <p>21676</p> | <p>Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in the Yeso formation (from the stratigraphic equivalent of 4,225' MD to 5,000' MD as observed on the Anderson-Federal 1 well Schlumberger Sidewall Neutron Porosity Log (API No. 30-015-20565)) in a 315-acre, more or less, standard (proximity tract) horizontal spacing unit comprised of the S/2 of Section 7, Township 17 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to following wells: (1) Merak 7 Federal 10H well, which will be horizontally drilled from a surface location in Unit L of Section 8 to a bottom hole location in Lot 3 of Section 7; (2) Merak 7 Federal 11H well, which will be horizontally drilled from a surface location in Unit M of Section 8 to a bottom hole location in Lot 4 of Section 7; (3) Merak 7 Federal 22H well, which will be horizontally drilled from a surface location in Unit M of Section 8 to a bottom hole location in Lot 3 of Section 7; (4) Merak 7 Federal 51H well, which will be horizontally drilled from a surface location in Unit L of Section 8 to a bottom hole location in Lot 3 of Section 7; and (5) Merak 7 Federal 52H well, which will be horizontally drilled from a surface location in Unit M of Section 8 to a bottom hole location in Lot 4 of Section 7. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 3 miles northwest of Loco Hills, New Mexico.</p> |
| 61. | <p>21677</p> | <p>Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in the Yeso formation (from the stratigraphic equivalent of 5,000' MD to 6,341' MD as observed on the Anderson-Federal 1 well Schlumberger Sidewall Neutron Porosity Log (API No. 30-015-20565)) in a 315-acre, more or less, standard (proximity tract) horizontal spacing unit comprised of the S/2 of Section 7, Township 17 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Merak 7 Federal 70H well, which will be horizontally drilled from a surface location in Unit M of Section 8 to a bottom hole location in Lot 4 of Section 7. The completed interval of the well will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 3 miles northwest of Loco Hills, New Mexico.</p> |
| 62. | <p>21848 [Continued to June 17, 2021]</p> | <p>Application of Spur Energy Partners, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Yeso formation, underlying a standard 320-acre horizontal spacing unit comprised of the N/2 of Section 32, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the above-referenced spacing unit to the following wells:</p> <ul style="list-style-type: none"> • The Blalock #1H well, the Blalock #11H well, the Blalock #51H well, the Blalock #71H well, the Blalock #91H well each of which will be horizontally drilled from a common surface location in |

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| | | <p>the NE/4 NE/4 (Unit A) of Section 31, to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 32; and</p> <ul style="list-style-type: none"> • The Blalock #10H well, the Blalock #30H well, the Blalock #50H well, the Blalock #70H well, the Blalock #90H well each of which will be horizontally drilled from a common surface location in the SE/4 NE/4 (Unit H) of Section 31, to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 32. <p>The completed intervals of the Blalock #30H well and the Blalock #91H well will remain within 330 feet of the quarter-quarter line separating the N/2 N/2 from the S/2 N/2 of Section 32 to allow inclusion of these proximity tracts into a standard horizontal spacing unit. Also, to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof, actual operating costs, charges for supervision, designation of applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 13 miles south of Artesia, New Mexico.</p> |
| 63. | <p>21880 [Continued to June 17, 2021]</p> | <p>Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks to pool uncommitted interests from the top of the Yeso formation (at a stratigraphic equivalent of approximately 3,511' MD as observed on the Rio Cinco 26 State #1 Platform Express, Compensated Neutron Lithodensity well log (API No. 30-015-31043)) to a depth of approximately 4,000' in a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 27, Township 17 South, Range 28 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: (1) Halberd A 27 State 1H, which will be horizontally drilled from a surface location in Unit A of Section 28 to a bottom hole location in Unit A of Section 27; and (2) Halberd A 27 State 10H, which will be horizontally drilled from a surface location in Unit A of Section 28 to a bottom hole location in Unit A of Section 27. The completed interval of the Halberd A 27 State 10H well will be within 330' of the line separating the N/2N/2 from the S/2N/2 of Section 27 to allow inclusion of this acreage into a standard 320-acre horizontal spacing unit. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 10 miles west of Loco Hills, New Mexico.</p> |
| 64. | <p>21881 [Continued to June 17, 2021]</p> | <p>Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks to pool uncommitted interests from a depth of approximately 4,000' to the base of the Yeso formation (at a stratigraphic equivalent of approximately 5,568' MD as observed on the Rio Cinco 26 State #1 Platform Express, Compensated Neutron Lithodensity well log (API No. 30-015-31043)) in a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 27, Township 17 South, Range 28 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: (1) Halberd A 27 State 50H, which will be horizontally drilled from a surface location in Unit A of Section 28 to a bottom hole location in Unit A of Section 27; (2) Halberd A 27 State 70H, which will be horizontally drilled from a surface location in Unit A of Section 28 to a bottom hole location in Unit A of Section 27; (3) Halberd A 27 State 90H, which will be horizontally drilled from a surface location in Unit A of Section 28 to a bottom hole location in Unit A of Section 27; (4) Halberd B 27 State 51H, which will be horizontally drilled from a surface location in Unit E of Section 26 to a bottom hole location in Unit E of Section 27; (5) Halberd B 27 State 71H, which will be horizontally drilled from a surface location in Unit E of Section 26 to a bottom hole location in Unit E of Section 27; and (6) Halberd B 27 State 91H, which will be horizontally drilled from a surface location in Unit E of Section 26 to a bottom hole location in Unit E of Section 27. The completed interval of the Halberd A State 70H well will be within 330' of the line separating the N/2N/2 from the S/2N/2 of Section 27 to allow inclusion of this acreage into a 320-acre horizontal spacing unit. The completed interval of the Halberd B State 71H well will be unorthodox. The completed intervals of the Halberd A 27 State 50H, 70H, 90H wells, and Halberd B 27 State 51H and 91H wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 10 miles west of Loco Hills, New Mexico.</p> |
| 65. | <p>21882 [Continued to June 17, 2021]</p> | <p>Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks to pool uncommitted interests from a depth of approximately 4,000' to the base of the Yeso formation (at a stratigraphic equivalent of approximately 5,568' MD as observed on the Rio Cinco 26 State #1 Platform Express, Compensated Neutron Lithodensity well log (API</p> |

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| | | No. 30-015-31043)) in a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 of Section 27, Township 17 South, Range 28 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: (1) Halberd C 27 State 52H, which will be horizontally drilled from a surface location in Unit I of Section 28 to a bottom hole location in Unit I of Section 27; (2) Halberd C 27 State 92H, which will be horizontally drilled from a surface location in Unit I of Section 28 to a bottom hole location in Unit I of Section 27; (3) Halberd D 27 State 72H, which will be horizontally drilled from a surface location in Unit P of Section 28 to a bottom hole location in Unit P of Section 27; and (4) Halberd D 27 State 53H, which will be horizontally drilled from a surface location in Unit P of Section 28 to a bottom hole location in Unit P of Section 27. The completed interval of the Halberd D 27 State 72H well will be within 330' of the line separating the N/2S/2 from the S/2S/2 of Section 27 to allow inclusion of this acreage into a 320-acre horizontal spacing unit. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 10 miles west of Loco Hills, New Mexico. |
| 66. | 21883 [Continued to June 17, 2021] | Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks to pool uncommitted interests from the top of the Yeso formation (at a stratigraphic equivalent of approximately 3,511' MD as observed on the Rio Cinco 26 State #1 Platform Express, Compensated Neutron Lithodensity well log (API No. 30-015-31043)) to a depth of approximately 4,000' in a 160-acre, more or less, standard horizontal spacing unit comprised of the N/2S/2 of Section 27, Township 17 South, Range 28 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Halberd C 27 State 11H well, which will be horizontally drilled from a surface location in Unit I of Section 28 to a bottom hole location in Unit I of Section 27. The completed interval of the well will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 10 miles west of Loco Hills, New Mexico. |
| 67. | 21568 [Status Conference] | Application of Tap Rock Resources, LLC for a compulsory pooling, Lea County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 4 and the W/2E/2 of Section 9, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. The unit will be dedicated to The Contest Fed. Com. Well No. 143H, which has a first take point in the SW/4SE/4 of Section 9 and a last take point in the NW/4NE/4 of Section 4. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 18-1/2 miles northwest of Jal, New Mexico. |
| 68. | 21572 [Status Conference] | Application of Tap Rock Resources, LLC for a compulsory pooling, Lea County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 4 and the E/2NE/4 and NE/4SE/4 of Section 9, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. The unit will be dedicated to The Contest Fed. Com. Well No. 144H, which has a first take point in the NE/4SE/4 of Section 9 and a last take point in the NE/4NE/4 of Section 4. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 18-1/2 miles northwest of Jal, New Mexico. |
| 69. | 21609 [Status Conference] | Application of Tap Rock Resources, LLC for a compulsory pooling, Lea County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 28 and the W/2NW/4 of Section 33, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Coonskin Fee Com. Well No. 111H, which has a first take point in the SW/4NW/4 of Section 33 and a last take point in the NW/4NW/4 of Section 28. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock |

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| | | Operating, LLC as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 12 miles northwest of Jal, New Mexico. |
| 70. | 21610 [Status Conference] | Application of Tap Rock Resources, LLC for a compulsory pooling, Lea County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 28 and the E/2NW/4 of Section 33, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Coonskin Fee Com. Well No. 112H, which has a first take point in the SE/4NW/4 of Section 33 and a last take point in the NE/4NW/4 of Section 28. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 12 miles northwest of Jal, New Mexico. |
| 71. | 21771 [Status Conference] | Application of Tap Rock Resources, LLC for a compulsory pooling, Lea County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2 of Section 4 and the NE/4, N/2SE/4, and SW/4SE/4 of Section 9, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. The unit will be dedicated to: (a) The Contest Fed. Com. Well No. 203H, with a first take point in the SW/4SE/4 of Section 9 and a last take point in the NW/4NE/4 of Section 4; (b) The Contest Fed. Com. Well No. 208H, with a first take point in the NE/4SE/4 of Section 9 and a last take point in the NE/4NE/4 of Section 4; and (c) The Contest Fed. Com. Well No. 216H, with a first take point in the SW/4SE/4 of Section 9 and a last take point in the NW/4NE/4 of Section 4. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately 18-1/2 miles northwest of Jal, New Mexico. |
| 72. | 21895 | Application of Tap Rock Resources, LLC for a compulsory pooling, Lea County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 18 and the W/2E/2 of Section 19, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. The unit will be dedicated Black Marlin Fed. Com. Well Nos. 203H, 206H, and 213H, to be drilled to a depth sufficient to test the Wolfcamp formation. The wells have first take points in the NW/4NE/4 of Section 18 and last take points in the SW/4SE/4 of Section 19. Applicant seeks to dedicate the W/2E/2 of Section 18 and the W/2E/2 of Section 19 to the wells. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately 6 miles west-northwest of Jal, New Mexico. |
| 73. | 21872 [Continued to June 17, 2021] | Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The HSU will be dedicated to the El Campeon Fed Com 404H well, to be horizontally drilled from an approximate surface hole location 558' FSL and 590' FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10' FSL and 1912' FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]. Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The well and lands are located approximately 14 miles southwest of Jal, New Mexico. |

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| <p>74.</p> | <p>21621 [Continued to July 15, 2021]</p> | <p>Application of Titus Oil and 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 formation (Lea; Bone Spring [37570]) underlying a standard 1,280-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of Section 25 and Section 36, all within Township 19 South, Range 34 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: Cane West Fed Com 121H well, to be horizontally drilled from an approximate surface hole location 966' FNL and 1234' FWL of Section 1, T20S-R34E, to an approximate bottom hole location 10' FNL and 330' FWL of Section 25, T19S-R34E; Cane West Fed Com 123H well, to be horizontally drilled from an approximate surface hole location 1047' FNL and 1534' FEL of Section 1, T20S-R34E, to an approximate bottom hole location 10' FNL and 1650' FEL of Section 25, T19S-R34E; Cane West Fed Com 124H well, to be horizontally drilled from an approximate surface hole location 268' FNL and 340' FEL of Section 1, T20S-R34E, to an approximate bottom hole location 10' FNL and 330' FEL of Section 25, T19S-R34E; Cane West Fed Com 221H well, to be horizontally drilled from an approximate surface hole location 996' FNL and 1234' FWL of Section 1, T20S-R34E, to an approximate bottom hole location 10' FNL and 330' FWL of Section 25, T19S-R34E; Cane West Fed Com 223H well, to be horizontally drilled from an approximate surface hole location 1047' FNL and 1564' FEL of Section 1, T20S-R34E, to an approximate bottom hole location 10' FNL and 1650' FEL of Section 25, T19S-R34E; and Cane West Fed Com 224H well, to be horizontally drilled from an approximate surface hole location 268' FNL and 370' FEL of Section 1, T20S-R34E, to an approximate bottom hole location 10' FNL and 330' FEL of Section 25, T19S-R34E. 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 wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately twenty-three miles southwest of Hobbs, New Mexico.</p> |
| <p>75.</p> | <p>21651 [Continued to June 17, 2021]</p> | <p>Application of Longfellow Energy, LP for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Yeso formation (Empire; Glorieta-Yeso [96210]) in a standard 480-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the NE/4 of Section 14 and the N/2 of Section 13, all within Township 17 South, Range 28 East, NMPM, in Eddy County, New Mexico. Applicant proposes to drill the following wells: (1) Hendrix State Com 1314 ABX 001H well, to be horizontally drilled from an approximate surface hole location 361' FNL and 2400' FEL of Section 14, T17S-R28E, to an approximate bottom hole location 347' FNL and 20' FEL of Section 13, T17S-R28E; (2) Hendrix State Com 1314 ABX 002H well, to be horizontally drilled from an approximate surface hole location 386' FNL and 2400' FEL of Section 14, T17S-R28E, to an approximate bottom hole location 800' FNL and 20' FEL of Section 13, T17S-R28E; (3) Hendrix State Com 1314 ABX 003H well, to be horizontally drilled from an approximate surface hole location 1703' FNL and 2428' FEL of Section 14, T17S-R28E, to an approximate bottom hole location 1254' FNL and 20' FEL of Section 13, T17S-R28E; (4) Hendrix State Com 1314 ABX 004H well, to be horizontally drilled from an approximate surface hole location 1728' FNL and 2428' FEL of Section 14, T17S-R28E, to an approximate bottom hole location 1708' FNL and 20' FEL of Section 13, T17S-R28E; and (5) Hendrix State Com 1314 ABX 005H well, to be horizontally drilled from an approximate surface hole location 1753' FNL and 2428' FEL of Section 14, T17S-R28E, to an approximate bottom hole location 2161' FNL and 20' FEL of Section 13, T17S-R28E. 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 wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 9 miles west of Loco Hills, New Mexico.</p> |
| <p>76.</p> | <p>21733 [Continued to June 17, 2021]</p> | <p>Application of Spur Energy Partners, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Yeso formation, underlying a standard 480-acre horizontal spacing unit comprised of the N/2 of Section 13, and the NE/4 of Section 14, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the above-referenced spacing unit to the following wells:</p> <ul style="list-style-type: none"> • The Aid North #10H well, and the Aid North #50H, each of which will be horizontally drilled from a common surface location in the NW/4 NE/4 (Unit B) of Section 14, to bottom hole |

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| | | <p>locations in the NE/4 NE/4 (Unit A) of Section 13;</p> <ul style="list-style-type: none"> • The Aid North #11H well, the Aid North #12H well, the Aid North #51H well, and the Aid North #70H well, each of which will be horizontally drilled from a common surface location in the NW/4 NE/4 (Unit B) of Section 14 to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 13. The completed interval of the Aid North #11H well will remain within 330 feet of the quarter-quarter line separating the N/2 N/2 from the S/2 N/2 of Section 13 and the N/2 NE/4 from the S/2 SE/4 of Section 14 to allow inclusion of these proximity tracts into a standard horizontal spacing unit. Also, to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof, actual operating costs, charges for supervision, designation of applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 13 miles south of Artesia, New Mexico. |
| 77. | 21803 | <p>Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying Lot 1, the SE/4NE/4 and the E/2SE/4 of Section 1, and the E/2E/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Vested Fed Com 604H well to be horizontally drilled. The producing area for the Vested Fed Com 604H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles Northwest of Jal, New Mexico.</p> |
| 78. | 21804 | <p>Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying Lots 1 and 2, the S/2NE/4 and the SE/4 of Section 1, and the E/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Mission Fed Com 704H, Mission Fed Com 705H, and Vested Fed Com 706H wells to be horizontally drilled. The completed interval for the Mission Fed Com 705H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the Mission Fed Com 704H, Mission Fed Com 705H, and Vested Fed Com 706H wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8 miles Northwest of Jal, New Mexico.</p> |
| 79. | 21805 | <p>Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying Lot 2, the SW/4NE/4 and the W/2SE/4 of Section 1, and the W/2E/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Mission Fed Com 603H well to be horizontally drilled. The producing area for the Mission Fed Com 603H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles Northwest of Jal, New Mexico.</p> |
| 80. | 21900 [Continued to June 2, 2021] | <p>Notice of Violation issued to Bar V Barb LLC</p> |

8.

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO**

Case No. 21872

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

TITUS OIL & GAS
PRODUCTION, LLC

ATTORNEY:

Sharon T. Shaheen
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OTHER PARTIES

NM OIL CONSERVATION DIVISION

OPPONENT’S ATTORNEY:

Eric Ames
Jesse Tremaine
Assistant General Counsel
**NM ENERGY AND MINERALS AND NATURAL
RESOURCES DEPARTMENT**
1220 S. St. Francis Drive
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EOG RESOURCES, INC.

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STATEMENT OF THE CASE

In this case, Titus seeks an order from the Division approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The HSU will be dedicated to the **El Campeon Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 558’ FSL and 590’ FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10’ FSL and 1912’ FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]). Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas.

The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Nonetheless, in an abundance of caution, Titus filed an administrative application for approval of a non-standard well location because the last take point will be located in Texas. To the extent necessary, Titus requests that the Division consider whether approval of a non-standard well location is necessary under the circumstances. The well and lands are located approximately 14 miles southwest of Jal, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

| WITNESSES | EST. TIME | EXHIBITS |
|--------------------------|--------------------------|----------|
| Landman Walter Jones | Direct Written Testimony | 8-10 |
| Geologist Allen Frierson | Direct Written Testimony | 7-8 |
| Engineer Marshall Hickey | Direct Written Testimony | 1-3 |

OTHER PARTIES:

| WITNESSES | EST. TIME | EXHIBITS |
|-----------|-----------|----------|
| TBD. | | |

PROCEDURAL MATTERS

Applicant will submit direct written testimony in accordance with Division rules and recent hearing practice. In addition, the witnesses will be available for additional direct testimony, if needed, and for cross-examination.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: /s/Sharon T. Shaheen

Sharon T. Shaheen
Ricardo S. Gonzales
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Santa Fe, New Mexico 87504-2307
Telephone: (505) 982-2678
sshaheen@montand.com
rgonzales@montand.com

Attorneys for Titus Oil & Gas Production, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on June 10, 2021:

Eric Ames
Jesse Tremaine
Assistant General Counsel
NM ENERGY AND MINERALS AND NATURAL
RESOURCES DEPARTMENT
1220 S. St. Francis Drive
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/s/ Sharon T. Shaheen
Sharon T. Shaheen

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 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 31443

QUESTIONS

| | |
|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| Operator: Titus Oil & Gas Production, LLC 420 Throckmorton St, Ste 1150 Fort Worth, TX 76012 | OGRID: 373986 |
| | Action Number: 31443 |
| | Action Type: [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

| | |
|------------------------------------------------------------------------------------|----------------------|
| Testimony | |
| <i>Please assist us by provide the following information about your testimony.</i> | |
| Number of witness | <i>Not answered.</i> |
| Testimony time (in minutes) | <i>Not answered.</i> |

9.

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

APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO

Case No. 21872



El Campeon Fed Com 404H

June 17, 2021

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| Exhibit A-3: Ownership Breakdown of Working Interests | |
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| Exhibit A-6: Notice Letter | |
| Exhibit A-7: Exhibits Submitted to Railroad Commission of Texas | |
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TAB 1

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO**

Case No. 21872

APPLICATION

Titus Oil & Gas Production, LLC (“Titus”), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, §70-2-17, for an order approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]). In support of its application, Titus states as follows:

1. Titus is the sole working interest owner in the New Mexico portion of the HSU and has the right to drill thereon.
2. Occidental Petroleum (“OXY”) is the sole working interest owner in the Texas portion of the HSU and has the right to drill thereon. OXY supports Titus’s plan to drill the subject well described below.

3. Titus proposes to dedicate this spacing unit to the **El Campeon Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 558' FSL and 590' FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10' FSL and 1912' FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas.

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

5. Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas.

6. The Railroad Commission of Texas will conduct a hearing on April 13, 2021 regarding approval of the production allocation on behalf of Texas.

7. The proposed production allocation between New Mexico and Texas will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to permit Titus and other New Mexico mineral interest owners to obtain their just and fair share of the oil and gas underlying the subject lands, production should be allocated between New Mexico and Texas as proposed.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 2021, and that, after notice and hearing as required by law, the Division enter an order approving the production allocation between New Mexico and Texas for minerals produced from the Wolfcamp formation underlying the HSU.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

John F. McIntyre

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Attorneys for Titus Oil & Gas Production, LLC

TAB 2

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO**

Case No. 21872

AFFIDAVIT OF LANDMAN WALTER JONES

I, being duly sworn on oath, state the following:

1. I am a landman employed as Vice President of Land with Titus Oil & Gas Production, LLC (“Titus”), and I am familiar with the subject application and the lands involved.

2. This affidavit and the attached exhibits are submitted in connection with the filing of the above-referenced application, pursuant to 19.15.4 NMAC and the public health emergency protocols implemented by the Division for virtual hearings.

3. 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 12 years.

4. The purpose of this application is to obtain Division approval of the production allocation between the State of New Mexico and the State of Texas for the El Campeon Fed Com

Exhibit A

Titus Oil & Gas Production LLC

NMOCD NO. 21872

JUNE 17, 2021

404H well (“El Campeon 404H”), a horizontal well that Titus proposes to drill across the state line between New Mexico and Texas and from which production will occur in both states.

5. The proposed El Campeon 404H will produce oil from the Wolfcamp formation underlying a standard 280-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico (WC-025 G-09 S263619C; Wolfcamp [98234]), and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas (Phantom; Wolfcamp [Texas Field No. 71052900]).

6. Titus is the sole working interest owner in the New Mexico portion of the HSU and has the right to drill thereon.

7. Occidental Petroleum (“OXY”) is the sole working interest owner in the Texas portion of the HSU and has the right to drill thereon. OXY is not opposed to Titus’s plan to drill the El Campeon 404H, and the parties are currently finalizing a joint operating agreement (“JOA”).

8. The surface hole location is approximately 558’ FSL and 590’ FEL of Section 20, T26S-R35E, Lea County, New Mexico. The completed lateral crosses the state line at approximately 0’ FSL and 330’ FEL of Section 32, T26S-R35E. The bottom hole location is approximately 10’ FSL and 1912’ FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas.

9. The first take point will be located at approximately 100’ FNL and 330’ FEL of Section 29, T26S-R35E, Lea County, New Mexico. The last take point will be approximately 100’ FSL and 1883’ FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas.

10. The proposed HSU is a standard spacing unit for an oil well, as defined in 19.15.16.15(B)(a) NMAC. The proposed HSU consists of contiguous tracts, each of which is a governmental quarter-quarter section or equivalent and each of which will be penetrated by the completed interval. *See id.*

11. The completed interval complies with the state-wide setback requirements for oil wells set forth in 19.15.16.15(C)(1)(a) NMAC.

12. The proposed first and last take points satisfy the state-wide setback requirements for oil wells set forth in 19.15.16.15(C)(1)(b) NMAC.

13. Nonetheless, because the last take point is located on the Texas side of the state line, in an abundance of caution, Titus filed an administrative application for approval of a non-standard location (“NSL”) on April 16, 2021 (“NSL Application”). The only “affected person” for purposes of the NSL is OXY. *See* 19.15.16.15(C)(6) NMAC; 19.15.15.13(C) NMAC; 19.15.2.7(A)(8) NMAC. Additionally, Titus provided notice of the NSL Application to OXY’s lessors. To date, no affected person has objected.

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

15. A map illustrating the tracts in the proposed HSU and the ownership of each individual tract can be found in **Exhibit A-2**. Tract 1 consists of a federal lease in New Mexico. Tract 2 consists of a state lease in New Mexico. Tract 3 consists of fee leases held by OXY as the lessee.

16. The ownership breakdown of working interests in the proposed HSU can be found at **Exhibit A-3**.

17. A chronology of contacts with noticed parties is attached as **Exhibit A-4**.

18. The location of the proposed well within the HSU is depicted in the draft C-102 Form attached as **Exhibit A-5**. The draft C-102 Form also indicates the location of the surface hole, the bottom hole, and the first and last take points.

19. In light of communications with the Division, Titus sent notice of the application to all parties who would have been entitled to notice if the proration unit were non-standard. *See* 19.15.16.15(B)(5)(b)(2) NMAC. Titus also sent notice to its lessees, the Bureau of Land Management and the New Mexico State Land Office. In addition, Titus sent notice to the Railroad Commission of Texas (“RRC”) and the Texas Comptroller of Public Accounts. **Exhibit A-6** includes a copy of the notice letter that was sent with the application to all such parties.

20. Titus has sought approval of the proposed well, including approval of production allocation, from the RRC. A hearing before the RRC was held on April 13, 2021 (“RRC Hearing”), in RRC Docket No. OG-21-00006089. A copy of the exhibits submitted at the RRC Hearing is attached hereto as **Exhibit A-7**. The transcript of the RRC Hearing is attached hereto as **Exhibit A-8**. The RRC hearing examiners are holding the record open for 90 days, while Titus and OXY finalize the JOA. Once the JOA is in place, the RRC hearing examiners will submit a report to the RRC, who will then take the matter under consideration.

21. On March 23, 2021, notice of the RRC Hearing was mailed to the Division, the New Mexico Energy, Minerals and Natural Resources Department, the New Mexico Taxation & Revenue Department, the Bureau of Land Management (Santa Fe and Hobbs offices), and the New Mexico State Land Office, among others. *See* **Exhibit A-8** at pdf page 5. OXY also attended the RRC Hearing.

22. RRC Hearing Exhibit No. 2 illustrates Titus’s development plan for Section 29 and irregular Section 32, T26S-35E, in Lea County, New Mexico and irregular Section 25, Block C24,

in Loving County, Texas (“Section 25”). *See id.* at pdf page 6. Irregular Section 32 in New Mexico consists of roughly a half-section. Section 25 in Texas is an irregular section of approximately 636 acres in the shape of a trapezoid, the eastern boundary of which is approximately 982’ long. *Id.* at pdf 16. That portion of Section 25 that will be developed by the El Campeon Fed Com 404H consists of approximately 49 acres and extends from the state line to the southern boundary of Section 25. *See id.*; *see also id.* at pdf page 15. In the future, Titus will propose additional wells in the same or other formations with similar well paths as those indicated on RRC Hearing Exhibit No. 2.

23. Titus proposes to allocate production between New Mexico and Texas based on proration unit surface acres. Although Texas ordinarily allocates production based on completed lateral length, in this instance, the allocation based on surface acres and the allocation based on completed lateral length is nearly the same. *See id.* at pdf page 19 (RRC Exhibit No. 8).

24. Titus anticipates that a New Mexico API# will be assigned for reporting purposes related to production allocated to New Mexico and that a Texas API # will be assigned for reporting purposes related to production allocated to Texas. All production, royalties, taxes, etc. will be allocated to the well’s proration unit acreage in each state and reported to each state’s API#. Titus further anticipates that the States will confer after permits are approved by each State to determine how authority over regulatory and environmental compliance will be allocated between the States.

25. Titus has already received a federal permit for drilling the proposed well as a 1.5-mile well fully in New Mexico. Titus has conferred with the Bureau of Land Management about drilling the proposed well as a 2-mile well across the state line and, as a result, understands that a sundry notice can be filed to extend the well across the state line as outlined herein.

26. Titus has also conferred with the New Mexico State Land Office, who received notice of this application. As of this date, the State Land Office has not entered an appearance in this proceeding.

27. Similar horizontal wells cross the state boundary between West Virginia and Pennsylvania, recovering hydrocarbons underlying both states. Inquiry with operators of such wells revealed that the wells were permitted in Pennsylvania (surface location) and subsequently approved by West Virginia as permitted in Pennsylvania. Upon information and belief, the states did not enter into a memorandum of understanding or other agreement between the states.

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

29. The granting of the Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

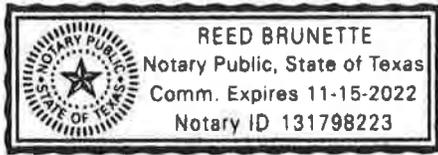
30. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

Walter P. Jones
Walter P. Jones

STATE OF TEXAS)
)ss
COUNTY OF TARRANT)

Subscribed to and sworn before me this 15th day of June, 2021.

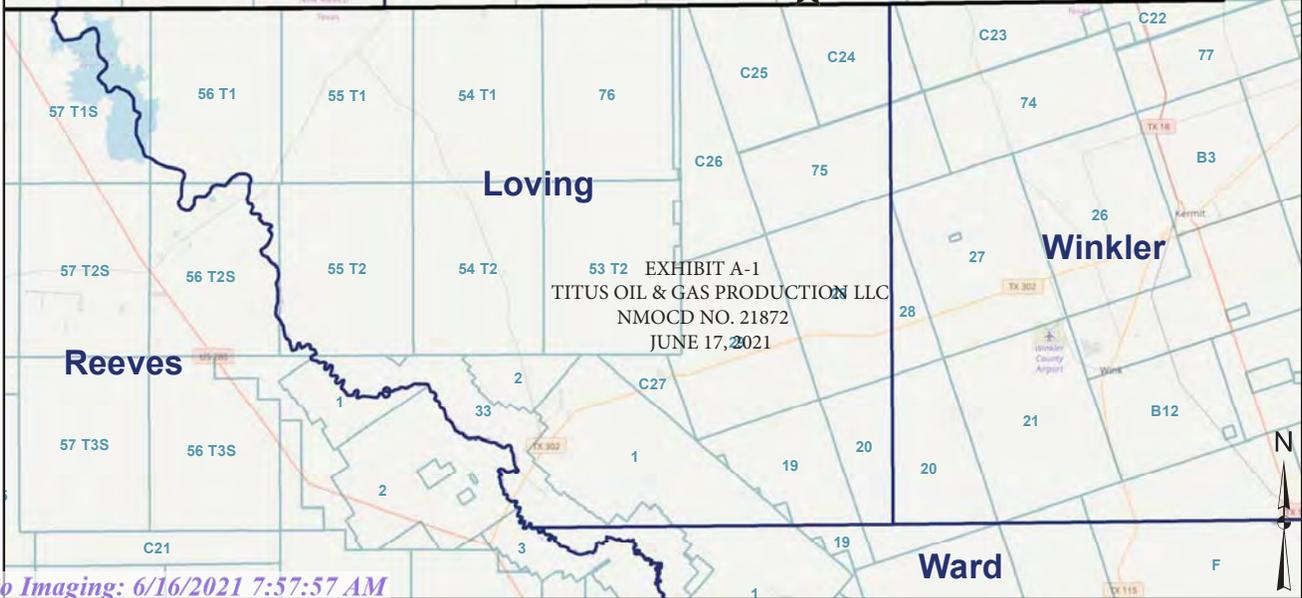
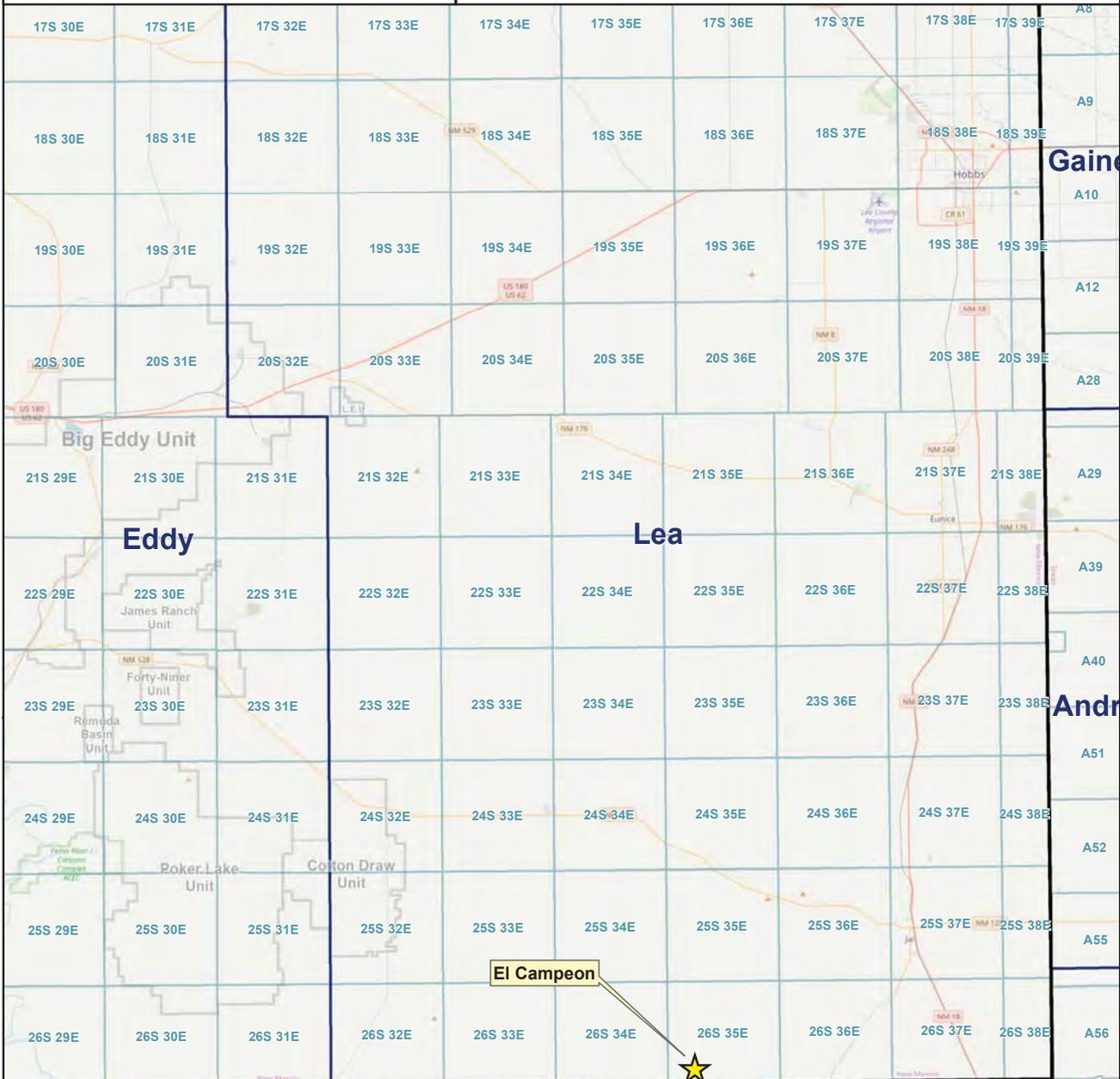


Reed Brunette
Notary Public

My Commission expires 11-15-2022.

TITUS OIL GAS LLC

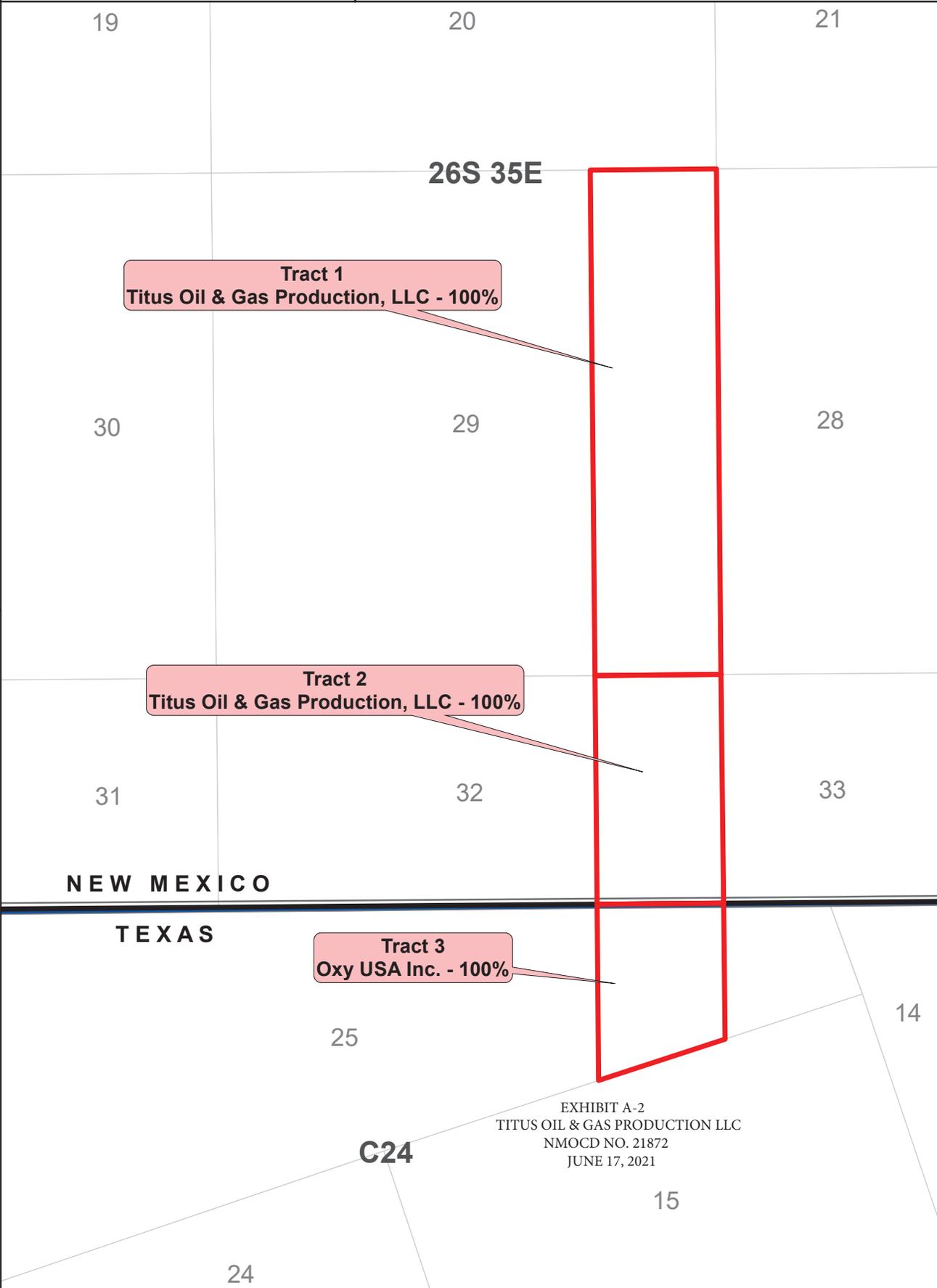
El Campeon - Delaware Basin Lea County, New Mexico; T-26-S, R-35-E





El Campeon Fed Com 21872

Lea County, New Mexico; 26S 35E
Loving County, Texas; Block C24



Tract 1
Titus Oil & Gas Production, LLC - 100%

Tract 2
Titus Oil & Gas Production, LLC - 100%

Tract 3
Oxy USA Inc. - 100%

NEW MEXICO

TEXAS

EXHIBIT A-2
TITUS OIL & GAS PRODUCTION LLC
NMOCD NO. 21872
JUNE 17, 2021

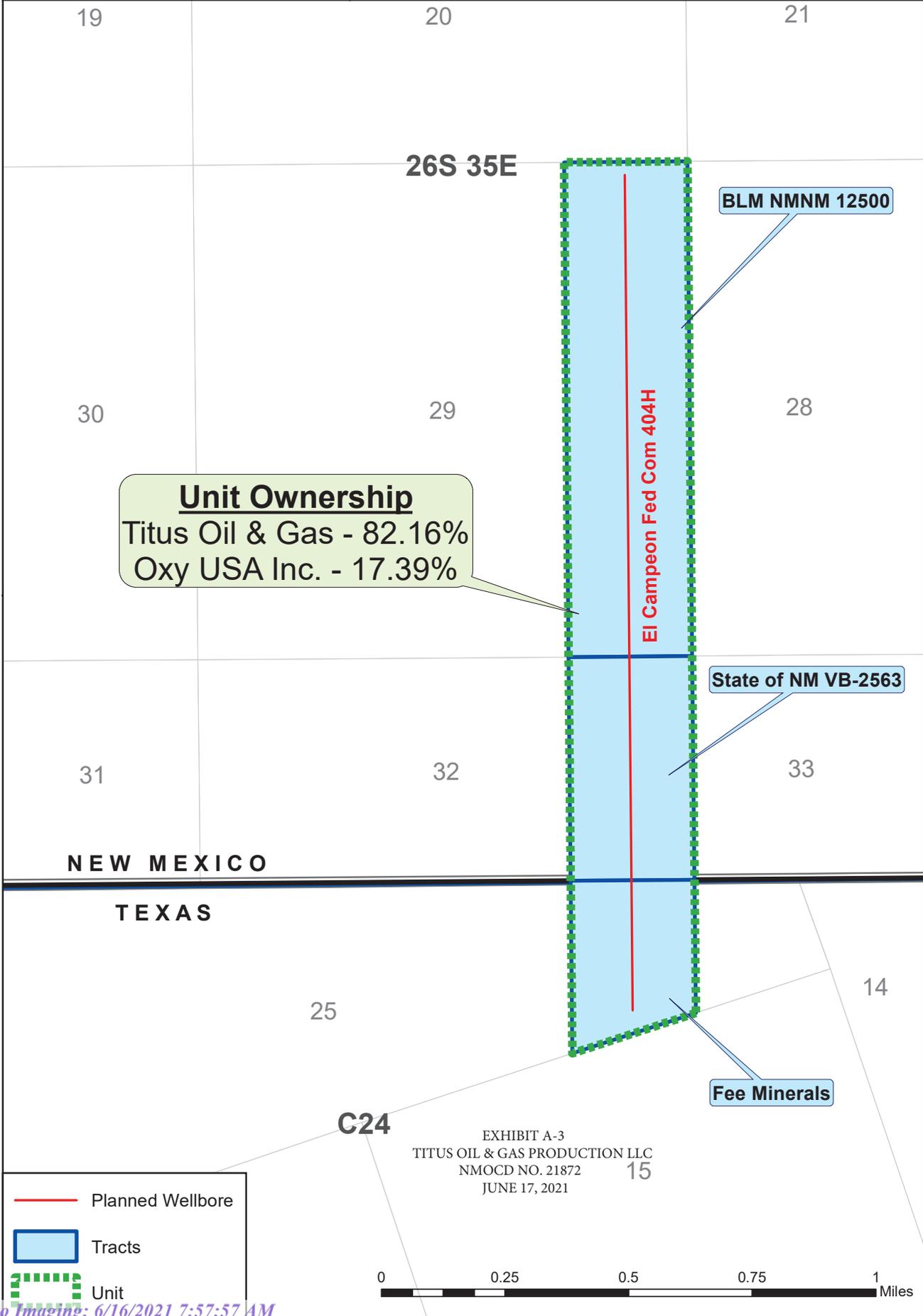
 Tracts - El Campeon - 21872





El Campeon Fed Com - Unit Ownership 21872

Lea County, New Mexico; 26S 35E
Loving County, Texas; Block C24



CONTRACT AREA:

280 acres, more or less, being Section 29: E/2 E/2 and Section 32: NE/4 NE/4, Lot 1 of Township 26 South, Range 35 East, Lea County, New Mexico and Section 25: Lot 1, Block C-24, Loving County, Texas

DEPTH RESTRICTIONS

All Depths

INTEREST OF THE PARTIES:

| Interest Owners | Working Interest |
|------------------------------------------------------------------------------------------------|-------------------------|
| Titus Oil & Gas Production, LLC 420 Throckmorton Street, Suite 1150 Fort Worth, TX 76102 | 82.60501% |
| Oxy USA Inc. 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0521 | 17.39499% |
| Total: | 100.00% |

OIL AND GAS LEASES:

Lessor: Santa Fe Energy Resources, Inc.
Lessee: BLM NMNM 125400
Lease Date: December 1, 1996
Legal Description: E/2 E/2 of Section 29, T26S-35E, Lea County, New Mexico

Lessor: Reagan Smith Energy Solutions, Inc.
Lessee: State of NM VB-2563
Lease Date: August 1, 2015
Legal Description: NE/4 NE/4 and Lot 1 of Section 32, T26S-35E, Lea County, New Mexico

Lessor: Virginia Howell, a widow, the sole heir of Grover M. Howell, Jr.
Lessee: Wayne Newkumet
Lease Date: September 23, 2003
Recording: Volume 34; Page 108
Legal Description: Lot 1 of Section 25, Block C-24, Loving County, Texas

Lessor: Kathleen Howell Cone
Lessee: Wayne Newkumet
Lease Date: September 25, 2003
Recording: Volume 34; Page 200
Legal Description: Lot 1 Section 25, Block C-24, Loving County, Texas

EXHIBIT A-4
TITUS OIL & GAS PRODUCTION LLC
NMOCD NO. 21872
JUNE 17, 2021

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
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District IV
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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 |
| 4 Property Code | 5 Property Name EL CAMPEON FED COM | |
| 6 Well Number 404H | 7 OGRID No. | |
| 8 Operator Name TITUS OIL & GAS PRODUCTION LLC | | 9 Elevation 3172' |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 20 | 26-S | 35-E | | 558' | SOUTH | 590' | EAST | LEA |

11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Block (TX) | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County (TX) |
|---------------|---------|------------|-------|---------|---------------|------------------|---------------|----------------|-------------|
| 1 | 25 | C24 | | | 10' | SOUTH | 1912' | EAST | LOVING |

| | | | |
|-------------------------------------|--------------------------------|------------------------------|---------------------|
| 12 Dedicated Acres 282.84 | 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=835919.34 LAT.= 32.02304186° N
Y=373417.21 LONG.= 103.38281420° W
NEW MEXICO EAST - NAD 27
X=794730.99 LAT.= 32.02291525° N
Y=373360.00 LONG.= 103.38235455° W
558' FSL, 620' FEL - SECTION 20

FIRST TAKE POINT (FTP)
NEW MEXICO EAST - NAD 83
X=836185.78 LAT.= 32.02123139° N
Y=372760.87 LONG.= 103.38197323° W
NEW MEXICO EAST - NAD 27
X=794997.40 LAT.= 32.02110476° N
Y=372703.68 LONG.= 103.38151371° W
100' FNL, 989' FEL - SECTION 29
100' FNL, 330' FWL - LEASE

STATE LINE CROSSING (SLC)
NEW MEXICO EAST - NAD 83
X=836258.60 LAT.= 32.00029491° N
Y=365144.42 LONG.= 103.38195460° W
NEW MEXICO EAST - NAD 27
X=795069.89 LAT.= 32.00016817° N
Y=365087.43 LONG.= 103.38149624° W
0' FSL, 330' FEL - SECTION 32
0' FSL, 330' FEL - LEASE

LAST TAKE POINT (LTP)
NEW MEXICO EAST - NAD 83
X=836272.12 LAT.= 31.99640645° N
Y=363729.85 LONG.= 103.38195113° W
NEW MEXICO EAST - NAD 27
X=795083.39 LAT.= 31.99627969° N
Y=363672.90 LONG.= 103.38149287° W
100' FSL, 1883' FEL - SECTION 25
100' FSL, 330' FEL - LEASE

BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST - NAD 83
X=836273.03 LAT.= 31.99614532° N
Y=363634.85 LONG.= 103.38195089° W
NEW MEXICO EAST - NAD 27
X=795084.30 LAT.= 31.99601855° N
Y=363577.90 LONG.= 103.38149265° W
10' FSL, 1912' FEL - SECTION 25
10' FSL, 330' 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 _____

Printed Name _____

E-mail Address _____

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-5
Titus Oil & Gas Production, LLC
NMOCD Case No. 21872
JUNE 17, 2021



**MONTGOMERY
& ANDREWS**
LAW FIRM

SHARON T. SHAHEEN
Direct: (505) 986-2678
Email: sshaheen@montand.com
www.montand.com

April 16, 2021

Via U.S. Certified Mail, return receipt requested

TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 21872 – Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico – **EI Campeon Fed Com 404H (WC)**

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Titus Oil & Gas Production, LLC (“Titus”) has filed an Application with the New Mexico Oil Conservation Division for an order regarding the proposed well described below. You are receiving this notice because you may have an interest in this well or in a tract adjoining the proposed spacing unit. In addition to considering the allocation of production under Section 70-2-17, the Division may also consider whether approval of a non-standard spacing unit is required under 19.15.16.15(B)(5) NMAC.

Case No. 21872. Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The HSU will be dedicated to the **EI Campeon Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 558’ FSL and 590’ FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10’ FSL and 1912’ FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]). Production will be allocated to New Mexico and Texas prorated on the basis of surface

EXHIBIT A-6

Titus Oil & Gas Production, LLC
NMOCD Case No. 21872
JUNE 17, 2021

All Interest Owners
April 16, 2021
Page 2

acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The well and lands are located approximately 14 miles southwest of Jal, New Mexico.

The attached application will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on **May 6, 2021** beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>. 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 present testimony or evidence at the hearing, you must enter your appearance by **April 28, 2021**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **April 29, 2021**, 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
Sharon T. Shaheen

STS/lt
Enclosures
cc: Titus Oil & Gas Production, LLC, *via email*

EXHIBIT A

Occidental Petroleum
5 Greenway Plaza, Suite 110
Houston, TX 77046

Texas Comptroller of Public
Accounts
P.O. Box 13528, Capitol Station
Austin, TX 78711-3528

Railroad Commission of Texas
1701 N. Congress
Austin, Texas 78701

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

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

NM Taxation & Revenue Dept.
1100 South St. Francis Drive
Santa Fe, NM 87504

Devon Energy Production Company, LP
333 W Sheridan Ave
Oklahoma City, OK 73102

Chevron U.S.A., Inc.
6001 Bollinger Canyon Road
San Ramon, CA 94583

McCombs Energy, LLC
755 E. Mulberry, Suite 600
San Antonio, TX 78212

EOG Resources, Inc.
PO Box 4362
Houston, TX 77210

Oxy USA, Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046

Franco-Nevada Texas, LP
1745 Shea Center Dr., Suite 400
Highland Ranch, CO 80129

Newkumet, Ltd.
PO Box 11330
Midland, Texas 79702

Blue River Minerals, LLC
5950 Cedar Springs Rd Suite 100
Dallas, Texas 75235

Sammy L. Morrison, Trustee of Sammy
& Sibyl Morrison Mineral Trust
4617 Breezeway Ct.
Midland, Texas 79707

Pegasus Resources, LLC
2821 West 7th Street, Suite 500
Fort Worth, Texas 76107

McMullen Minerals, LLC
2821 West 7th Street, Suite 500
Fort Worth, Texas 76107

| Docket # OG-21-06089 Applicant: Titus Oil & Gas Production, LLC Hearing Date: 4/13/2021 Drilling Permit Approval - Campeon FED COM # 404H | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------|-----------------|---------------|------------------|
| <u>Exhibit #</u> | <u>Description</u> | <u>Offered</u> | <u>Admitted</u> | <u>Denied</u> | <u>Withdrawn</u> |
| 1 | Notice of Hearing | | | | |
| 2 | Drilling Schematic | | | | |
| 3 | Form W-1, "As Submitted" | | | | |
| 4 | Lorenzo Garza 3/5/2021 Memo | | | | |
| 5 | Form W-1, "Pending Approval" | | | | |
| 6 | Well Plat, Campeon FED COM # 404H | | | | |
| 7 | Phantom (Wolfcamp) Field Rule Printout | | | | |
| 8 | Allocation Comparison | | | | |
| 9 | Application for Allocation Order, New Mexico | | | | |
| 10 | Base Map | | | | |
| 11 | Form G-1, OXY - Medicine Man # 1 | | | | |
| 12 | Form W-2, EOG - Connie Mack # 1H | | | | |
| 13 | Form W-2, RSP - Pistol 24-24 # 2H | | | | |
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EXHIBIT A-7
Titus Oil & Gas Production, LLC
NMOCD Case No. 21872
JUNE 17, 2021

on calendar
RECEIVED

MAR 29 2021

GEORGE C. NEALE
ATTORNEY AT LAW

RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

Oil and Gas Docket No. OG-21-00006089

§ REQUEST BY TITUS OIL & GAS PRODUCTION, LLC
§ (OPERATOR NO. 800622) TO CONTEST DRILLING
§ PERMITS UNIT DENIAL OF ADMINISTRATIVE
§ APPROVAL FOR THE EL CAMPEON FED COM
§ LEASE, WELL NO. 404H, PHANTOM (WOLFCAMP)
§ FIELD, LOVING COUNTY, TEXAS; DISTRICT 08
§

March 23, 2021

NOTICE OF HEARING

Date, Location, and Place of Hearing- Notice is hereby given that a public hearing will be held at 1:30 p.m. on Tuesday, April 13, 2021. Pursuant to the Amended COVID-19 Emergency Response Order issued by the Director of the Hearings Division on March 23, 2020, **THE HEARING WILL BE CONDUCTED REMOTELY BY VIDEO CONFERENCE.** If the hearing is not concluded on the day it commences, it will be continued from day to day until concluded.

Attendance- Parties to this matter must submit the enclosed Notice of Intent to Appear not later than five days prior to the hearing date. Persons who do not intend to appear as a party but wish to observe are encouraged to complete and return the enclosed Notice of Intent to Appear prior to the date of the hearing. Information regarding access to the hearing by video conference will be provided to those who submit a Notice of Intent to Appear. All persons intending to appear are further encouraged to submit the enclosed Consent to Electronic Service form.

Purpose of Hearing- The purpose of the hearing is to allow the parties to present evidence and consider all issues of fact and law raised in or relevant to the Application. The issues that may be addressed at the hearing include, but are not limited to, the following:

1. A statement of the matters asserted, and the nature of the Applicant's hearing request is in the attached Appendix A.
2. Any other issues raised in the pleadings, evidence, or argument that are necessary for the Commission to render a final decision on the merits of this case.

Failure to Appear- All parties, protestants or persons intending to participate at the hearing **must attend the hearing.** Failure to appear at any prehearing conference or the hearing in this case may result in **dismissal of that party's claim or protest,** or default against that party/protestant and claims. See, e.g., Tex. Gov't Code § 2001.056, 16 Tex. Admin. Code § 1.107.

Appearance at Hearing- All persons or parties supporting, opposing or protesting this Application and intending to participate in the hearing must complete and file with Docket Services the enclosed Notice of Intent to Appear at Hearing Protest form at least **five business days** prior to the hearing date in this Notice of Hearing. **This form is required even if a prior written response was submitted to the previously issued "Notice of Application."** A copy of the form should be served on the Applicant and any other parties of record.

Legal Authority and Jurisdiction- The Commission has jurisdiction over Applicant and over the matters at issue in this proceeding pursuant to Tex. Nat. Res. Code title 3, subtitles A, B and C, Tex. Water Code chapters 26, 27 and 29, and Tex. Gov't Code chapter 2001.

| |
|----------------------------------------------------------------------------------------------------|
| Docket # OG-21-06089 Titus Oil & Gas Prod., LLC Date: April 13, 2021 Exhibit No. <u>1</u> |
|----------------------------------------------------------------------------------------------------|

Oil and Gas Docket No. OG-21-00006089

Page 2

Particular Statutes and Rules Involved- The statutes and rules applicable to this proceeding include but are not limited to the following:

- Tex. Nat. Res. Code, title 3, subtitles A, B and C;
- Commission rules in 16 Tex. Admin. Code chapters 1 and 3;
- Tex. Water Code chapters 26, 27 and 29; and
- Statutes and rules referenced in Appendix A, if any, of this Notice of Hearing.

Continuance of Hearing- Any request for continuance of this hearing must be filed in Docket Services **no later than five business days prior to the hearing date**. Copies of such request must be served to all parties shown on the service list. 16 Tex. Admin. Code § 1.45(a)(1).

Ex parte Communications Prohibited- Ex parte communications (e.g. phone calls and emails) with the examiners and Commissioners are prohibited. Tex. Gov't Code § 2001.061, 16 Tex. Admin. Code § 1.7.

Written Transcript of the Hearing- **If a case is protested or becomes protested, the party requesting commission action in this case will need to obtain a court reporter no later than 21 days before the hearing. Typically, this would include the applicant, complainant, and similarly situated parties in other types of cases. See 16 Tex. Admin. Code § 1.111.** If an examiner or party requests a written transcript, the Commission may assess the cost to one or more parties. This includes paying the court reporter's fees for the preparation of the original transcript for the Commission's official records and one copy for use by the examiners in preparing their written recommendation. To obtain a court reporter, contact Dave Howard & Associates Court Reporters at 512-282-0313 or dave@howardreporters.com.

Hearing Exhibits- All exhibits must be clearly marked and submitted in duplicate. If a party wants to offer an exhibit admitted in a prior proceeding, the party must provide a properly identified copy as an exhibit for the record in this proceeding. Additionally, if a court reporter is used, a copy of all exhibits must be given to the court reporter at the time of the hearing.

Auxiliary Aids or Services for Persons with a Disability- Any individual with a disability who needs auxiliary aids and services to have an equal opportunity to effectively communicate and participate in the hearing must request such aids or services at least two weeks prior to the hearing by notifying the Commission's Docket Services by mail at P. O. Box 12967, Austin, Texas 78711-2967 or by telephone at (512) 463-6848 or TDD No. (800) 735-2989.

Audio/Visual Computer Presentations- All requests for setting up a presentation need to be made in writing no less than three business days prior to the hearing date. Please contact Docket Services to complete a Presentation Setup Help Desk Questionnaire Form.

Service List- The Applicant shall review this Notice of Hearing and the attached Certificate of Service for accuracy and completeness and shall immediately notify Docket Services of any discrepancy or omission.

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APPENDIX A

This hearing is held to consider the application of Titus Oil & Gas Production, LLC for an exception to Statewide Rule 37 for the El Campeon Fed Com Lease, Well No. 404H, Phantom (Wolfcamp) Field, in Loving County, Texas; District 08.

The Applicant seeks the following:

1. Titus Oil & Gas Production, LLC requests a drilling permit for the El Campeon Fed Com Lease, Well No. 404H, Phantom (Wolfcamp) Field, Loving County, Texas; District 08.
2. Titus Oil & Gas Production, LLC requests an Exception to Statewide Rule 10 for the Phantom (Wolfcamp) Field and the New Mexico field/pool code 98234 (WC-025 G-09 S263619C; Wolfcamp).
3. Titus Oil & Gas Production, LLC requests an Exception to Statewide Rule 37 for the El Campeon Fed Com Lease, Well No. 404H, Phantom (Wolfcamp) Field, Loving County, Texas; District 08.

Documents filed in a case are viewable in the RRC Cases online portal. To access the portal, go to <https://www.rrc.texas.gov/hearings/rrc-cases/>, click on "Find a Case" and enter the last four digits of the docket number in the search box in the upper right-hand corner of the screen that appears.

If you have questions regarding this Application, please contact the Applicant's representative, George Neale, at (512) 477-1976. If you have any questions regarding the hearing procedure, please contact Docket Services at (512) 463-6848 or at Room 12-123. Additional information about the hearing process can be found at www.rrc.texas.gov/hearings.

To access the Commission's Statewide Rules, start from the Commission's Home Page, click on "General Counsel" (upper right side of page) and follow the path: Rules, Current Rules, T.A.C. Chapter 3, Rule Number.

It is required that the enclosed Notice of Intent to Appear (or a copy thereof) be filed by each party for this case not later than five days prior to the hearing. Failure to do so by the applicant or complainant **may lead to the hearing being canceled**. In protested matters, failure by a protestant to timely file a Notice of Intent to Appear **may result in dismissal of the protest**. All Persons intending to observe or participate in this matter are strongly encouraged to file the enclosed Consent to Electronic Service and Notification together with the Notice of Intent to Appear.

Information regarding access to the hearing by video conference will be provided to those who submit a notice of intent to appear. Instructions for the pre-filing of evidence will be transmitted to the parties within a reasonable time prior to the hearing date.

In the event the Austin Offices of the Railroad Commission of Texas reopens to the public, the assigned Administrative Law Judge may order the hearing to be converted from video conference to in-person. Such order will be transmitted to the parties within a reasonable time prior to the hearing date.

Check the Weekly Hearing Schedule on the Commission website at: <http://www.rrc.texas.gov/hearings/hearing-schedules/> the day prior to the hearing to confirm that it will go forward as scheduled.

3

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Notice of Hearing in Oil and Gas Docket No. **OG-21-00006089** was served on each of the persons named below by depositing same in the United States Mail, Inter-Agency Mail, or Inter-Agency E-Mail, as follows:

GEORGE NEALE
FOR TITUS OIL & GAS PRODUCTION LLC
PO BOX 1945
AUSTIN TX 78767

NEW MEXICO STATE LAND OFFICE
310 OLD SANTA FE TRAIL
SANTA FE NM 87501

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
P.O. BOX 13528, CAPITOL STATION
AUSTIN, TEXAS 78711-3528

JESSICA MENDOZA
STAFF ATTORNEY
GENERAL COUNSEL
RRC - AUSTIN
Via Intra-Agency Email

NEW MEXICO ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT
1220 SOUTH ST. FRANCIS DRIVE
SANTA FE, NM 87505

LORENZO GARZA
ASSISTANT DEPUTY DIRECTOR
ADMINISTRATIVE COMPLIANCE
RRC - AUSTIN
Via Intra-Agency Email

NEW MEXICO ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DRIVE
SANTA FE, NM 87505

JOE STASULLI
ASSISTANT DEPUTY DIRECTOR
ADMINISTRATIVE COMPLIANCE
RRC - AUSTIN
Via Intra-Agency Email

BUREAU OF LAND MANAGEMENT,
NEW MEXICO STATE OFFICE, MINERALS DIVISION
301 DINOSAUR TRAIL
SANTA FE, NM 87508

OLIN MACNAMARA
GEOLOGIST
FIELD OPERATIONS
RRC - AUSTIN
Via Intra-Agency Email

BUREAU OF LAND MANAGEMENT
414 W. TAYLOR
HOBBS, NM 88240-1157

PAUL DUBOIS
ASSISTANT DIRECTOR
O&G DIVISION TECHNICAL PERMITTING
RRC - AUSTIN
Via Intra-Agency Email

NEW MEXICO TAXATION & REVENUE DEPARTMENT
1100 SOUTH ST. FRANCIS DRIVE
SANTA FE, NM 87504

On this the **23rd** day of **March, 2021**.

Melissa Stovall

Docket Services, Hearings Division
Railroad Commission of Texas

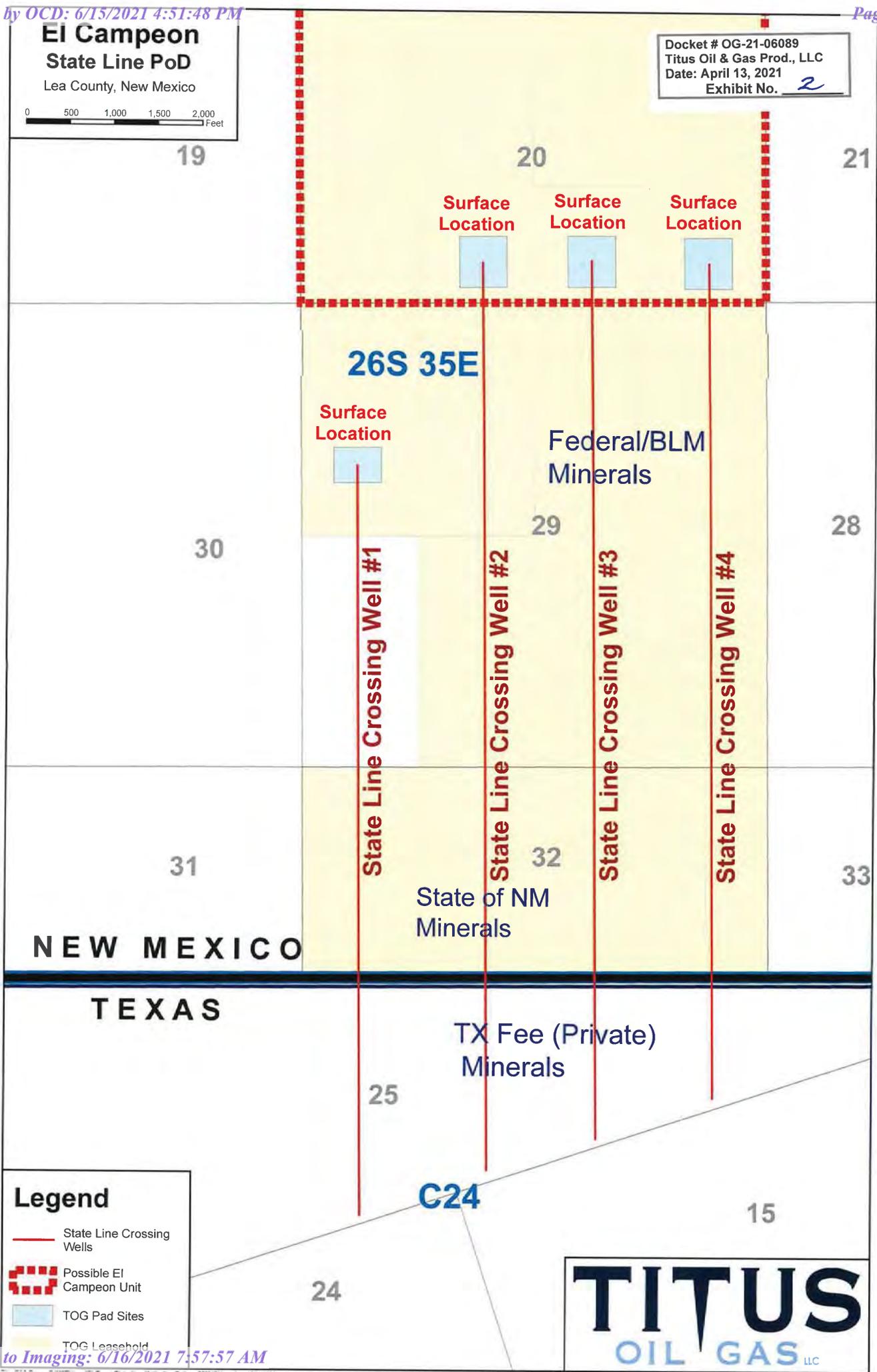
4

El Campeon State Line PoD

Lea County, New Mexico



Docket # OG-21-06089
 Titus Oil & Gas Prod., LLC
 Date: April 13, 2021
 Exhibit No. 2



Legend

- State Line Crossing Wells
- Possible El Campeon Unit
- TOG Pad Sites
- TOG Leasehold



| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION | | FORM W-1 07/2004 |
| APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <small>This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.</small> | | Permit Status: As Submitted <small>The RRC has not approved this application Duplication or distribution of information is at the user's own risk.</small> |
| API No. _____ Application Status # 867822 SWR Exception Case/Docket No. _____ | 3. Operator Address (include street, city, state, zip): 420 THROCKMORTON ST., STE 1150 FORT WORTH, TX 76102-0000 | |
| 1. RRC Operator No. 880622 | 2. Operator's Name (as shown on form P-5, Organization Report) TITUS OIL & GAS PRODUCTION, LLC | |
| 4. Lease Name EL CAMPEON FED COM | 5. Well No. 404H | |
| GENERAL INFORMATION | | |
| 6. Purpose of filing (mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Recompletion <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter <input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D) | | |
| 7. Wellbore Profile (mark ALL appropriate boxes): <input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-1D) <input type="checkbox"/> Sidetrack | | |
| 8. Total Depth 12581 | 9. Do you have the right to develop the minerals under any right-of-way? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| SURFACE LOCATION AND ACREAGE INFORMATION | | |
| 11. RRC District No. 08 | 12. County LOVING | 13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore |
| 14. This well is to be located 20 miles in a NW direction from Kermitt which is the nearest town in the county of the well site. | 17. Survey C24 | |
| 15. Section 24 | 16. Block C24 | 18. Abstract No. A-912 |
| 21. Lease Perpendiculars: 1 ft from the NORTH line and 330 ft from the EAST line. | 19. Distance to nearest lease line: 20 ft. 20. Number of contiguous acres in lease, pooled unit, or unitized tract: 636 | |
| 22. Survey Perpendiculars: 1 ft from the NORTH line and 330 ft from the EAST line. | 23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 24. Unitization Docket No. _____ 25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (attach Form W-1A) | |
| FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line. | | |
| 26. RRC District No. 08 | 27. Field No. 71052900 | 28. Field Name (exactly as shown in RRC records) PHANTOM (WOLFCAMP) |
| | 29. Well Type Oil or Gas Well | 30. Completion Depth 12581 |
| | | 31. Distance to Nearest Well in this Reservoir 200.00 |
| | | 32. Number of Wells on this lease in this Reservoir 3 |
| BOTTOMHOLE LOCATION INFORMATION | | |
| Remarks See W1 Comments attached | | |
| ND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment) | | |
| Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. | | |
| Name of filer Ryan DeLong, Regulatory Manager | | Date submitted Feb 22, 2021 |
| Phone (817)8526370 | | E-mail Address (OPTIONAL) rdelong@titusoil.com |
| Data Validation Time Stamp: Feb 22, 2021 9:39 AM ('As Submitted' Version) | | |

Docket # OG-21-06089
Titus Oil & Gas Prod., LLC
Date: April 13, 2021
Exhibit No. 3

21

Form W-1H
Supplemental Horizontal Well Information

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

Permit Status: As Submitted

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.

Status # 867822
Approved Date:

| | | | |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------|
| 1. RRC Operator No. 880622 | 2. Operator's Name (exactly as shown on form P-5, Organization Report) TITUS OIL & GAS PRODUCTION, LLC | 3. Lease Name EL CAMPEON FED COM | 4. Well No. 404H |
| Lateral Drainhole Location Information | | | |
| 5. Field as shown on Form W-1 PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08) | | | |
| 6. Section 24 | 7. Block C24 | 8. Survey PSL | 9. Abstract 912 |
| 10. County of BHL LOVING | | | |
| 11. Terminus Lease Line Perpendiculars 10 ft. from the South line and 330 ft. from the East line | | | |
| 12. Terminus Survey Line Perpendiculars 10 ft. from the South line and 1912 ft. from the East line | | | |
| 13. Penetration Point Lease Line Perpendiculars 1 ft. from the North line and 330 ft. from the East line | | | |

M/

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

Permit Status: As Submitted

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

W-1 Comments

Status # 867822

Approved Date:

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.

[Feb 17, 2021 11:32 AM]: Commission Staff expresses no opinion as to whether a 100% ownership interest in each of the leases alone or in combination with a "production sharing agreement" confers the right to drill across lease/unit lines or whether a pooling agreement is also required. However, until that issue is directly addressed and ruled upon by a Texas court of competent jurisdiction it appears that a 100% interest in each of the leases and a production sharing agreement constitute a sufficient colorable claim to the right to drill a horizontal well as proposed to authorize the removal of the regulatory bar and the issuance of a drilling permit by the Commission, assuming the proposed well is in compliance with all other relevant Commission requirements.

Issuance of the permit is not an endorsement or approval of the applicant's stated method of allocating production proceeds among component leases or units. All production must be reported to the Commission as production from the lease or pooled unit on which the wellhead is located and reported production volume must be determined by actual measurement of hydrocarbon volumes prior to leaving that tract and may not be based on allocation or estimation. Payment of royalties is a contractual matter between the lessor and lessee. Interpreting the leases and determining whether the proposed proceeds allocation comports with the relevant leases is not a matter within Commission jurisdiction but a matter for the parties to the lease and, if necessary, a Texas court of competent jurisdiction.

The foregoing statements are not, and should not be construed as, a final opinion or decision of the Railroad Commission.

CHRISTI CRADDICK, CHAIRMAN
WAYNE CHRISTIAN, COMMISSIONER
JIM WRIGHT, COMMISSIONER



DANNY SORRELLS
ASSISTANT EXECUTIVE DIRECTOR
DIRECTOR, OIL AND GAS DIVISION
LORENZO GARZA
DEPUTY ASSISTANT DIRECTOR
ADMINISTRATIVE COMPLIANCE

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

March 5, 2021

FILED
4:31 pm, Mar 08, 2021
DOCKET SERVICES
RAILROAD COMMISSION OF TEXAS

DANA AVANT LEWIS
DIRECTOR, HEARINGS DIVISION

RE: Hearing request by TITUS OIL & GAS PRODUCTION, LLC for the EL CAMPEON FED COM- Well # 404H for issuance of a drilling permit administratively denied by staff in the PHANTOM (WOLFCAMP) FIELD in LOVING COUNTY, TEXAS.

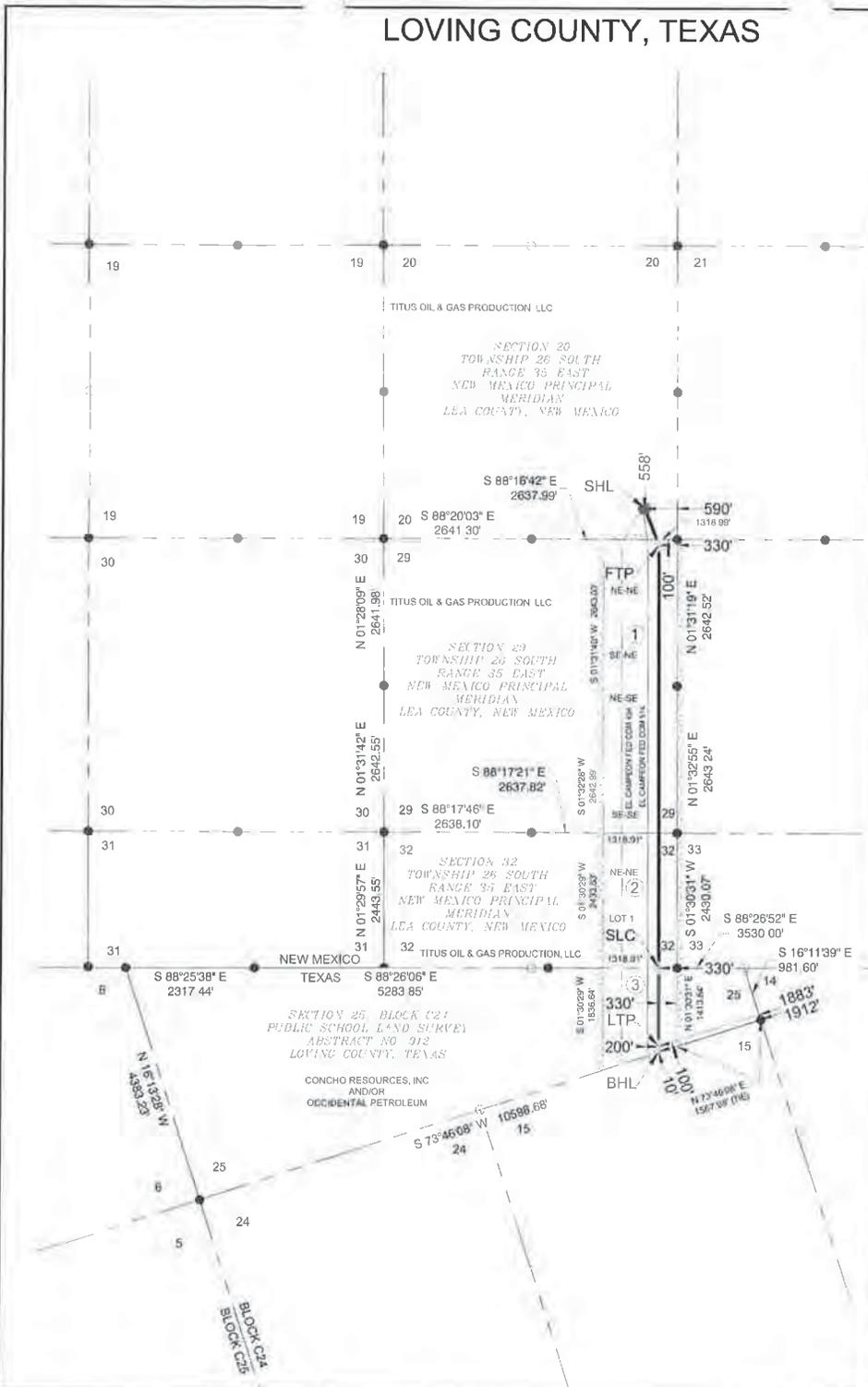
The Drilling Permits department has received a drilling permit application from TITUS OIL & GAS PRODUCTION, LLC for the EL CAMPEON FED COM- Well # 404H. This well is proposed to be drilled and completed as a horizontal well in which the well will be perforated and completed in both New Mexico and Texas. In the past the Drilling Permits department has issued drilling permits in which a horizontal well has traversed the state boundary between both states. In these instances, the well would only be perforated and completed in one state, not both. Staff does not feel that this application can be administratively approved, and the applicant wishes the matter to go to hearing.

Lorenzo Garza

Manager, Drilling Permits
Lorenzo.Garza@rrc.texas.gov

Docket # OG-21-06089
Titus Oil & Gas Prod., LLC
Date: April 13, 2021
Exhibit No. 4

LOVING COUNTY, TEXAS



SURFACE HOLE LOCATION

ELEVATION= 3172.14'
 TEXAS CENTRAL - NAD 83
 NORTHING 10712513.96
 EASTING 1351511.11
 LATITUDE 32.02304109
 LONGITUDE -103.38281477
 TEXAS CENTRAL - NAD 27
 NORTHING 869934.66
 EASTING 1055048.78
 LATITUDE 32.02291440
 LONGITUDE -103.38235512"

FIRST TAKE POINT

TEXAS CENTRAL - NAD 83
 NORTHING 10711848.40
 EASTING 1351753.61
 LATITUDE 32.02123058
 LONGITUDE -103.38197385
 TEXAS CENTRAL - NAD 27
 NORTHING 869269.12
 EASTING 1055291.25
 LATITUDE 32.02110395
 LONGITUDE -103.38151432"

STATE LINE CROSSING

TEXAS CENTRAL - NAD 83
 NORTHING 10704234.31
 EASTING 1351550.64
 LATITUDE 32.00029469
 LONGITUDE -103.38195530
 TEXAS CENTRAL - NAD 27
 NORTHING 861655.26
 EASTING 1055087.96
 LATITUDE 31.00016796
 LONGITUDE -103.38149694"

LAST TAKE POINT

TEXAS CENTRAL - NAD 83
 NORTHING 10702820.18
 EASTING 1351512.95
 LATITUDE 31.99640634
 LONGITUDE -103.38195184
 TEXAS CENTRAL - NAD 27
 NORTHING 860241.16
 EASTING 1055050.24
 LATITUDE 31.99627958
 LONGITUDE -103.38149358"

BOTTOM HOLE LOCATION

TEXAS CENTRAL - NAD 83
 NORTHING 10702725.21
 EASTING 1351510.42
 LATITUDE 31.99814521
 LONGITUDE -103.38195160
 TEXAS CENTRAL - NAD 27
 NORTHING 860146.19
 EASTING 1055047.71
 LATITUDE 31.99601844
 LONGITUDE -103.38149335"

LATERAL OFFSET

| |
|----------------------------------------|
| BHL - 500' FEL - 500' FEL - SECTION 30 |
| FTP - 100' FEL - 100' FEL - SECTION 29 |
| BLO - 100' FEL - 100' FEL - SECTION 32 |
| LTP - 100' FEL - 100' FEL - SECTION 24 |
| LTP - 100' FEL - 100' FEL - LEASE |
| BHL - 10' FEL - 10' FEL - SECTION 25 |
| BHL - 10' FEL - 10' FEL - LEASE |

CALLED ACRES TOTALS

| TRACT NO. | ACRES |
|--------------------|---------------------|
| 1 | 100.03 ACRES |
| 2 | 73.64 ACRES |
| 3 | 49.30 ACRES |
| TOTAL ACRES | 223.97 ACRES |

EL CAMPEON FED COM 404H WELL BORE SUMMARY

SHL TO FTP=S 20°01'12" E, 708.36'
 FTP TO SLC=S 01°31'37" W, 7616.80'
 SLC TO LTP=S 01°31'37" W, 1414.64'
 LTP TO BHL=S 01°31'37" W, 95.01'

NOTES:

- BEARINGS AND COORDINATES SHOWN HEREON ARE REFERENCED TO THE TEXAS COORDINATE SYSTEM OF 1983 CENTRAL ZONE 4203
- LATITUDE & LONGITUDE ARE NAD 83 AND NAD 27 GEOGRAPHIC.
- THIS IS AN EXHIBIT AND DOES NOT REPRESENT A TRUE BOUNDARY SURVEY. THIS SURVEY IS BASED ON OWNERSHIP AND EASEMENT INFORMATION PROVIDED BY TITUS OIL & GAS PRODUCTION, LLC. SURVEYOR DID NOT ABSTRACT SUBJECT TRACT AND THERE MAY BE EASEMENTS OR OTHER ENCUMBRANCES THAT AFFECT THE SUBJECT TRACT THAT ARE NOT SHOWN HEREON.

- LEGEND**
- DENOTES HORIZONTAL SURFACE LOCATION AND POINT OF PENETRATION
 - DENOTES FIRST TAKE POINT LOCATION LAST TAKE POINT LOCATION AND BOTTOM HOLE LOCATION & TERMINUS POINT
 - ↻ DENOTES BEARING CHANGE
 - DENOTES FOUND MONUMENT
 - DENOTES CALCULATED CORNER
 - DENOTES PRODUCING WELL
 - DENOTES PERMITTED WELL
 - DENOTES SECTION LINE
 - - - DENOTES PROPOSED LATERAL NEW MEXICO
 - DENOTES PROPOSED LATERAL TEXAS
 - DENOTES PROPOSED WELL PAD
 - DENOTES ABSTRACT LINE
 - DENOTES 800' BOUNDARY BOX
 - DENOTES LEASE
 - DENOTES TRACT



THE SURFACE HOLE IS LOCATED APPROXIMATELY 20 MILES NORTHWEST OF KERMIT, TEXAS

TITUS OIL & GAS PRODUCTION, LLC

WELL LOCATION PLAT
 EL CAMPEON FED COM 404H
 SITUATED IN
 SECTION 20, TOWNSHIP 26 SOUTH, RANGE 35 EAST
 NEW MEXICO PRINCIPAL MERIDIAN, LEA COUNTY, NEW MEXICO
 SECTION 29, TOWNSHIP 26 SOUTH, RANGE 35 EAST
 NEW MEXICO PRINCIPAL MERIDIAN, LEA COUNTY, NEW MEXICO
 SECTION 32, TOWNSHIP 26 SOUTH, RANGE 35 EAST
 NEW MEXICO PRINCIPAL MERIDIAN, LEA COUNTY, NEW MEXICO
 SECTION 25, BLOCK C24
 PUBLIC SCHOOL LAND SURVEY 912
 LOVING COUNTY, TEXAS

TRANS GLOBAL SERVICES, LLC
 2129 S Great Southwest Parkway Suite 313
 Grand Prairie, TX 75051
 (817) 528-1188 - Fax (817) 528-1151

DATE: 02/18/2021
 DRAWN BY: JES
 CHECKED BY: GJS
 SCALE: 1"=200'

DATE: 02/18/2021
 DWG. NO.: EL CAMPEON FED COM 404H RRC PERMIT PLAT
 REV. 1

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| API No. <u>42-301-35346</u> Application Status # <u>867822</u> SWR Exception Case/Docket No. _____ | RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i> | FORM W-1 07/2004 Permit Status: Pending Approval <i>The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.</i> |
| 1. RRC Operator No. <u>880622</u> 2. Operator's Name (as shown on form P-5, Organization Report) <u>TITUS OIL & GAS PRODUCTION, LLC</u> 3. Operator Address (include street, city, state, zip): <u>420 THROCKMORTON ST., STE 1150</u> <u>FORT WORTH, TX 76102-0000</u> | | 4. Lease Name <u>EL CAMPEON FED COM</u> 5. Well No. <u>404H</u> |
| GENERAL INFORMATION | | |
| 6. Purpose of filing (mark ALL appropriate boxes): <input checked="" type="checkbox"/> New Drill <input type="checkbox"/> Reclamation <input type="checkbox"/> Reclass <input type="checkbox"/> Field Transfer <input type="checkbox"/> Re-Enter <input type="checkbox"/> Amended <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-ID) | | |
| 7. Wellbore Profile (mark ALL appropriate boxes): <input type="checkbox"/> Vertical <input checked="" type="checkbox"/> Horizontal (Also File Form W-1H) <input type="checkbox"/> Directional (Also File Form W-ID) <input type="checkbox"/> Sidetrack | | |
| 9. Do you have the right to develop the minerals under any right-of-way? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | |
| SURFACE LOCATION AND ACREAGE INFORMATION | | |
| 11. RRC District No. <u>08</u> | 12. County <u>LOVING</u> | 13. Surface Location <input checked="" type="checkbox"/> Land <input type="checkbox"/> Bay/Estuary <input type="checkbox"/> Inland Waterway <input type="checkbox"/> Offshore |
| 14. This well is to be located <u>20</u> miles in a <u>NW</u> direction from <u>Kermit</u> which is the nearest town in the county of the well site. | | |
| 15. Section <u>16</u> Block | 17. Survey <u>NEW MEXICO PRINCIPAL MERIDIAN S20 T26S R35E</u> | 18. Abstract No. <u>A-</u> 19. Distance to nearest lease line: _____ ft. 20. Number of contiguous acres in lease, pooled unit, or unitized tract: <u>49.2</u> |
| 21. Lease Perpendiculars: <u>558</u> ft from the <u>SOUTH</u> line and <u>590</u> ft from the <u>EAST</u> line. | 22. Survey Perpendiculars: <u>558</u> ft from the <u>SOUTH</u> line and <u>590</u> ft from the <u>EAST</u> line. | 23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 24. Unitization Docket No.: _____ 25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (attach Form W-1A) |
| FIELD INFORMATION - List all fields of anticipated completion including Wildcat. List one zone per line. | | |
| 26. RRC District No. <u>08</u> | 27. Field No. <u>71052900</u> | 28. Field Name (exactly as shown in RRC records) <u>PHANTOM (WOLFCAMP)</u> |
| | 29. Well Type <u>Oil or Gas Well</u> | 30. Completion Depth <u>12581</u> |
| | | 31. Distance to Nearest Well in this Reservoir <u>0.00</u> |
| | | 32. Number of Wells on this lease in this Reservoir <u>1</u> |
| BOTTOMHOLE LOCATION INFORMATION | | |
| Remarks See W1 Comments attached <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> Docket # OG-21-06089 Titus Oil & Gas Prod., LLC Date: April 13, 2021 Exhibit No. 5 </div> | | |
| AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment) | | |
| I certify that information stated in this application is true and complete, to the best of my knowledge. Name of filer <u>Ryan DeLong, Regulatory Manager</u> Date submitted <u>Feb 22, 2021</u> Phone <u>(817)8526370</u> E-mail Address (OPTIONAL) <u>rdelong@ititsoil.com</u> | | |
| RRC Use Only Data Validation Time Stamp: <u>Apr 12, 2021 2:56 PM (Current Version)</u> | | |

Form W-1H
Supplemental Horizontal Well Information

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

Permit Status: Pending Approval
The RRC has not approved this application.
Duplication or distribution of information is
at the user's own risk.

Released to Imaging: 6/16/2021 7:57:57 AM

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

Status # 867822

Approved Date:

| | | | |
|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------|
| 1. RRC Operator No. 880622 | 2. Operator's Name (exactly as shown on form P-5, Organization Report) TITUS OIL & GAS PRODUCTION, LLC | 3. Lease Name EL CAMPEON FED COM | 4. Well No. 404H |
| Lateral Drainhole Location Information | | | |
| 5. Field as shown on Form W-1 25 | 6. Section C24 | 7. Block PSL/ RUSSELL, W B | 8. Survey PHANTOM (WOLFCAMP) (Field # 71052900, RRC District 08) |
| 9. Abstract 701 | 10. County of BHL LOVING | | |
| 11. Terminus Lease Line Perpendiculars 10 ft. from the South line. and 330 ft. from the East line | | | |
| 12. Terminus Survey Line Perpendiculars 10 ft. from the South line. and 1912 ft. from the East line | | | |
| 13. Penetration Point Lease Line Perpendiculars 1 ft. from the North line. and 330 ft. from the East line | | | |

21

31

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

W-1 Comments

Permit Status: Pending Approval

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

This facsimile W-1 was generated electronically from data submitted to the RRC. A certification of the automated data is available in the RRC's Austin office.

Status # 867822

Approved Date:

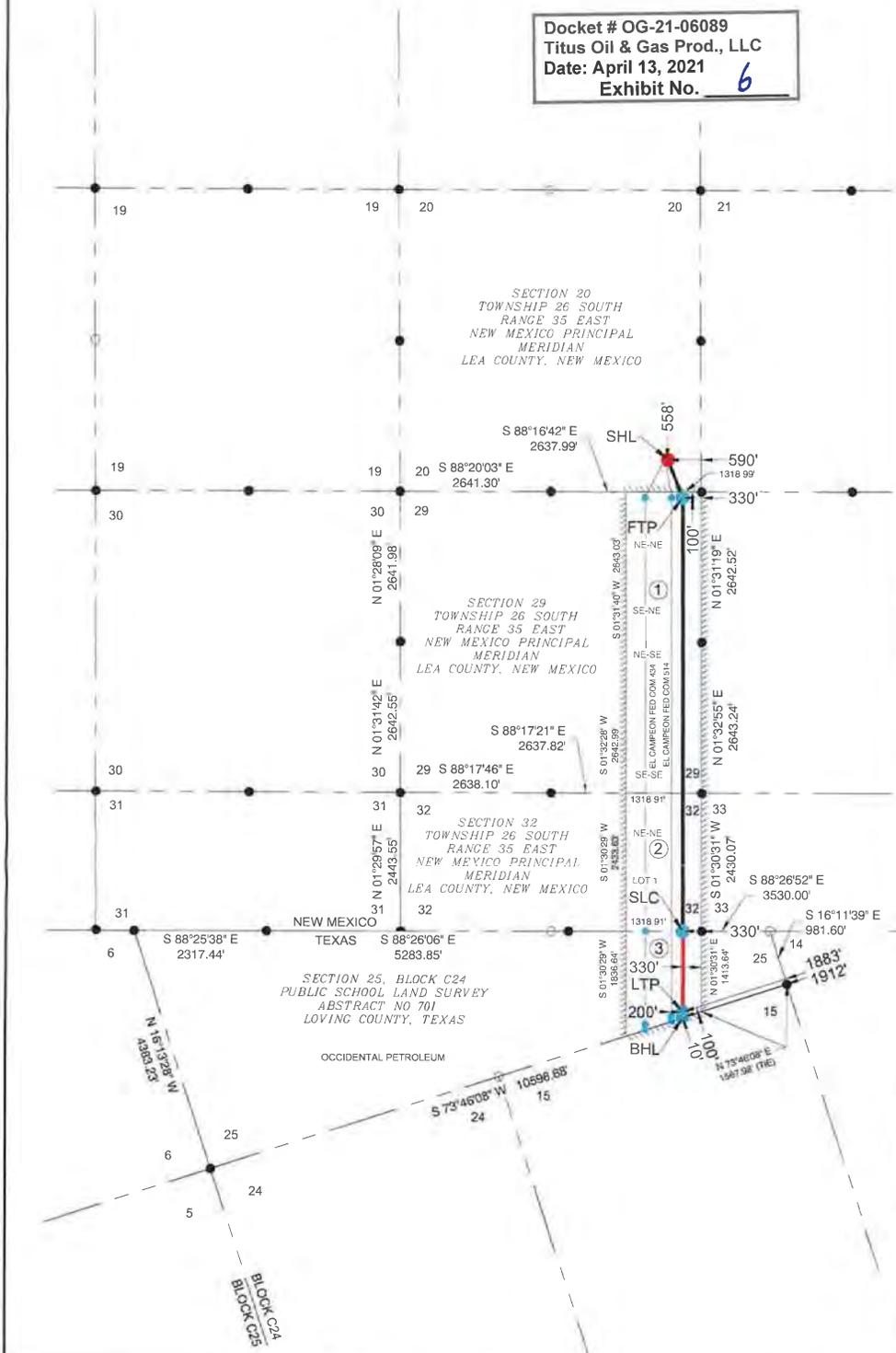
[Feb 17, 2021 11:32 AM]: Commission Staff expresses no opinion as to whether a 100% ownership interest in each of the leases alone or in combination with a "production sharing agreement" confers the right to drill across lease/unit lines or whether a pooling agreement is also required. However, until that issue is directly addressed and ruled upon by a Texas court of competent jurisdiction it appears that a 100% interest in each of the leases and a production sharing agreement constitute a sufficient colorable claim to the right to drill a horizontal well as proposed to authorize the removal of the regulatory bar and the issuance of a drilling permit by the Commission, assuming the proposed well is in compliance with all other relevant Commission requirements.

Issuance of the permit is not an endorsement or approval of the applicant's stated method of allocating production proceeds among component leases or units. All production must be reported to the Commission as production from the lease or pooled unit on which the wellhead is located and reported production volume must be determined by actual measurement of hydrocarbon volumes prior to leaving that tract and may not be based on allocation or estimation. Payment of royalties is a contractual matter between the lessor and lessee. Interpreting the leases and determining whether the proposed proceeds allocation comports with the relevant leases is not a matter within Commission jurisdiction but a matter for the parties to the lease and, if necessary, a Texas court of competent jurisdiction.

The foregoing statements are not, and should not be construed as, a final opinion or decision of the Railroad Commission.; [RRC STAFF Feb 22, 2021 9:53 AM]: Changed coordinates per plat.; [RRC STAFF Feb 22, 2021 10:04 AM]: There have been problems identified with this permit (see problem letter attachment). Notification sent.; [RRC STAFF Apr 7, 2021 4:23 PM]: The surface location of the proposed well is in Lea County, New Mexico. When mapped into the Commission's GIS system the surface location of the well will appear to be located on the boundary line between the two states.

LOVING COUNTY, TEXAS

Docket # OG-21-06089
 Titus Oil & Gas Prod., LLC
 Date: April 13, 2021
 Exhibit No. **6**



SURFACE HOLE LOCATION

ELEVATION= 3172.14'
 TEXAS CENTRAL - NAD 83
 NORTHING 10712513.96
 EASTING 1351511.11
 LATITUDE 32.02304100
 LONGITUDE -103.38281477
 TEXAS CENTRAL - NAD 27
 NORTHING 869934.66
 EASTING 1055048.78
 LATITUDE 32.02291440
 LONGITUDE -103.38235512

FIRST TAKE POINT

TEXAS CENTRAL - NAD 83
 NORTHING 10711848.40
 EASTING 1351753.61
 LATITUDE 32.02123058
 LONGITUDE -103.38197385
 TEXAS CENTRAL - NAD 27
 NORTHING 869269.12
 EASTING 1055291.25
 LATITUDE 32.02110395
 LONGITUDE -103.38151432

STATE LINE CROSSING

TEXAS CENTRAL - NAD 83
 NORTHING 10704234.31
 EASTING 1351550.64
 LATITUDE 32.00029469
 LONGITUDE -103.38195530
 TEXAS CENTRAL - NAD 27
 NORTHING 861655.25
 EASTING 1055087.96
 LATITUDE 31.00016796
 LONGITUDE -103.38149694

LAST TAKE POINT

TEXAS CENTRAL - NAD 83
 NORTHING 10702820.18
 EASTING 1351512.95
 LATITUDE 31.99640634
 LONGITUDE -103.38195184
 TEXAS CENTRAL - NAD 27
 NORTHING 860241.16
 EASTING 1055050.24
 LATITUDE 31.99627958
 LONGITUDE -103.38149358

BOTTOM HOLE LOCATION

TEXAS CENTRAL - NAD 83
 NORTHING 10702725.21
 EASTING 1351510.42
 LATITUDE 31.99614521
 LONGITUDE -103.38195160
 TEXAS CENTRAL - NAD 27
 NORTHING 860146.19
 EASTING 1055047.71
 LATITUDE 31.99601844
 LONGITUDE -103.38149335

LATERAL OFFSET

BHL - 58' FEL - 100' FEL - SECTION 29
 FTP - 100' FEL - 100' FEL - SECTION 29
 SLC - 100' FEL - SECTION 29
 LTP - 100' FEL - 100' FEL - SECTION 25
 LTP - 100' FEL - 100' FEL - SECTION 25
 BHL - 10' FEL - 100' FEL - LEASE

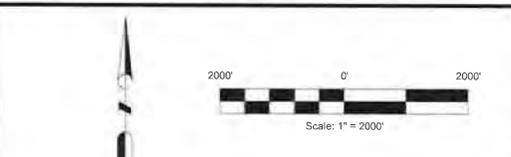
CALLED ACREAGE TOTALS

| TRACT NO | ACREAGE |
|--------------------|---------------------|
| 1 | 160.00 ACRES |
| 2 | 73.84 ACRES |
| 3 | 49.20 ACRES |
| TOTAL ACRES | 282.84 ACRES |

EL CAMPEON FED COM 404H
 WELL BORE SUMMARY
 SHL to FTP=S 20°01'12" E, 708.36'
 FTP to SLC=S 01°31'37" W, 7616.80'
 SLC to LTP=S 01°31'37" W, 1414.64'
 LTP to BHL=S 01°31'37" W, 95.01'

NOTES:
 1. BEARINGS AND COORDINATES SHOWN HEREON ARE REFERENCED TO THE TEXAS COORDINATE SYSTEM OF 1983 CENTRAL ZONE 4203
 2. LATITUDE & LONGITUDE ARE NAD 83 AND NAD 27 GEOGRAPHIC
 3. THIS IS AN EXHIBIT AND DOES NOT REPRESENT A TRUE BOUNDARY SURVEY. THIS SURVEY IS BASED ON OWNERSHIP AND EASEMENT INFORMATION PROVIDED BY TITUS OIL & GAS PRODUCTION, LLC. SURVEYOR DID NOT ABSTRACT SUBJECT TRACT AND THERE MAY BE EASEMENTS OR OTHER ENCUMBRANCES THAT AFFECT THE SUBJECT TRACT THAT ARE NOT SHOWN HEREON

- LEGEND**
- DENOTES HORIZONTAL SURFACE LOCATION AND POINT OF PENETRATION
 - DENOTES FIRST TAKE POINT LOCATION, LAST TAKE POINT LOCATION, AND BOTTOM HOLE LOCATION & TERMINUS POINT
 - DENOTES BEARING CHANGE
 - DENOTES FOUND MONUMENT
 - DENOTES CALCULATED CORNER
 - DENOTES PRODUCING WELL
 - DENOTES PERMITTED WELL
 - DENOTES SECTION LINE
 - DENOTES PROPOSED LATERAL NEW MEXICO
 - DENOTES PROPOSED LATERAL TEXAS
 - DENOTES PROPOSED WELL PAD
 - DENOTES ABSTRACT LINE
 - DENOTES 660' BOUNDARY BOX
 - DENOTES LEASE
 - DENOTES TRACT



JAMES C. YARGER, TEXAS R.P.L.S. NO. 5854, DATE 03/31/21

THE SURFACE HOLE IS LOCATED APPROXIMATELY 20 MILES NORTHWEST OF KERMIT, TEXAS

TITUS OIL & GAS PRODUCTION, LLC

WELL LOCATION PLAT
 EL CAMPEON FED COM 404H

SITUATED IN
 SECTION 20, TOWNSHIP 26 SOUTH, RANGE 35 EAST
 NEW MEXICO PRINCIPAL MERIDIAN, LEA COUNTY, NEW MEXICO
 SECTION 29, TOWNSHIP 26 SOUTH, RANGE 35 EAST
 NEW MEXICO PRINCIPAL MERIDIAN, LEA COUNTY, NEW MEXICO
 SECTION 32, TOWNSHIP 26 SOUTH, RANGE 35 EAST
 NEW MEXICO PRINCIPAL MERIDIAN, LEA COUNTY, NEW MEXICO
 SECTION 25, BLOCK C24
 PUBLIC SCHOOL LAND SURVEY
 LOVING COUNTY, TEXAS

| | | | | | | | | | | |
|---------------------------------------------------------------------|-------|-----------|-------|-------|-----------|----------|-----------------|----------------|--------------------------------------------|------|
| 15PELS FIRM# 10193740/19148 | REV # | DRAWN BY: | DATE: | REV # | DRAWN BY: | DATE: | DRAWN BY: JEB | DATE: 01/12/21 | DWG NO | REV. |
| 2129 S Great Southwest Parkway Suite 313 Grand Prairie, TX 75051 | | | | 1 | NH | 02/17/21 | CHECKED BY: GJS | DATE: 02/17/21 | EL CAMPEON FED COM 404H RRC PERMIT PLAT | 2 |
| | | | | 2 | JEB | 03/31/21 | SCALE: 1"=2000' | PG 1 OF 1 | | |



Docket # OG-21-06089
 Titus Oil & Gas Prod., LLC
 Date: April 13, 2021
 Exhibit No. 7

Field Rules Display

[Field Query](#) [Previous Query](#) [Results](#)

Field Rules for Field: PHANTOM (WOLFCAMP)

Field Number: 71052900 District Name: 08

Oil Field Rules:

County Regular: N **Salt Dome:** N **Field Location:** LAND **Don't Permit:** N

Schedule Remarks: FOR 8 WELLS. SEE DKT FOR COMPLETE LEASE/WELL DETAILS

Comments: OPTIONAL 20 ACRES,P15'S,ACRES LIST,LEASE PLATS REQUIRED

| Rule Type | Depth | Lease Spacing | Well Spacing | Acres per Unit | Tolerance Acres | Diagonal Code | Diagonal Max Length |
|----------------|------------|---------------|--------------|----------------|-----------------|------------------|---------------------|
| Special Rules | All Depths | 330 | 0 | 320.0 | 40.0 | Corner to Corner | 0 |
| Optional Rules | All Depths | 330 | 0 | 20.0 | 0.0 | Corner to Corner | 99999 |

Gas Field Rules:

County Regular: N **Salt Dome:** N **Field Location:** LAND **Don't Permit:** N

Schedule Remarks: FOR THE FOLLOWING API 389-37515.

Comments: NO BETWEEN WELL SPACING,20 AC.OPT,P-15,AC.LIST,PLAT REQ.

| Rule Type | Depth | Lease Spacing | Well Spacing | Acres per Unit | Tolerance Acres | Diagonal Code | Diagonal Max Length |
|----------------|------------|---------------|--------------|----------------|-----------------|------------------|---------------------|
| Special Rules | All Depths | 330 | 0 | 320.0 | 32.0 | | 0 |
| Optional Rules | All Depths | 330 | 0 | 20.0 | 0.0 | Corner to Corner | 99999 |

Special Horizontal Field Rules: For informational purposes only. The Final Order controls all field rules.

[Illustration](#) [Screen Help](#)

Unconventional Fracture Treated (UFT): Yes

UFT Effective Date: 05/10/2016

Correlative Interval: From 9515 to 12447 feet

Established by API Number:
38932637

Dual Lease Line Take Point Spacing

First/Last Take Points (Heel and Toe) to Lease Line: 100 feet

Off Lease Penetration Notification

Perpendicular Spacing from All Take Points to Lease Line:
330 feet

Duration(days): **Earliest Submit Date:**

Between-Well Spacing

Subsurface Tolerance Box: 50 feet

Horizontal to Vertical/Directional: 0 feet

Horizontal to Horizontal: 0 feet

Overlap Distance: N/A

Stacked Lateral Rules: Yes (If yes, see Final Order for details)

Horizontal Depth Severance: Yes

Special Rule 38 (Well Density) Provision

Upper: N/A

Notification Radius: N/A

Lower: N/A

Comments for the Special Field Rules

Comments: N/A

History: Final Orders that contain special horizontal field rules language

| Docket Number | Final Order Effective Date | Final Order Document |
|----------------------|-----------------------------------|-----------------------------|
| 08-0277363 | 09/11/2012 | Click Here |
| 08-0275212 | 06/12/2012 | Click Here |
| 08-0290788 | 07/14/2015 | Click Here |
| 08-0303885 | 08/01/2017 | Click Here |
| 08-0310856 | 10/16/2018 | Click Here |

Cancel

2/

Campeon Fed Com # 404H

| | <u>Surface Acreage</u> | | <u>Completed Lateral</u> | |
|------------|------------------------|---------|--------------------------|---------|
| New Mexico | 233.64 | 82.61% | 7,616.80 | 84.34% |
| Texas | 49.20 | 17.39% | 1,414.64 | 15.66% |
| Total | 282.84 | 100.00% | 9,031.44 | 100.00% |

Docket # OG-21-06089
Titus Oil & Gas Prod., LLC
Date: April 13, 2021
Exhibit No. 8

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

Titus Oil & Gas Production, LLC (“Titus”), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, §70-2-17, for an order approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]). In support of its application, Titus states as follows:

1. Titus is the sole working interest owner in the New Mexico portion of the HSU and has the right to drill thereon.
2. Occidental Petroleum (“OXY”) is the sole working interest owner in the Texas portion of the HSU and has the right to drill thereon. OXY supports Titus’s plan to drill the subject well described below.

| |
|------------------------------------------------------------------------------------------------------------------------------------|
| Docket # OG-21-06089 Titus Oil & Gas Prod., LLC Date: April 13, 2021 Exhibit No. <u>9</u> |
|------------------------------------------------------------------------------------------------------------------------------------|

3. Titus proposes to dedicate this spacing unit to the **El Campeon Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 558' FSL and 590' FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10' FSL and 1912' FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas.

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

5. Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas.

6. The Railroad Commission of Texas will conduct a hearing on April 13, 2021 regarding approval of the production allocation on behalf of Texas.

7. The proposed production allocation between New Mexico and Texas will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to permit Titus and other New Mexico mineral interest owners to obtain their just and fair share of the oil and gas underlying the subject lands, production should be allocated between New Mexico and Texas as proposed.

WHEREFORE, Titus requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 6, 2021, and that, after notice and hearing as required by law, the Division enter an order approving the production allocation between New Mexico and Texas for minerals produced from the Wolfcamp formation underlying the HSU.

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) 986-2678

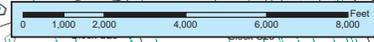
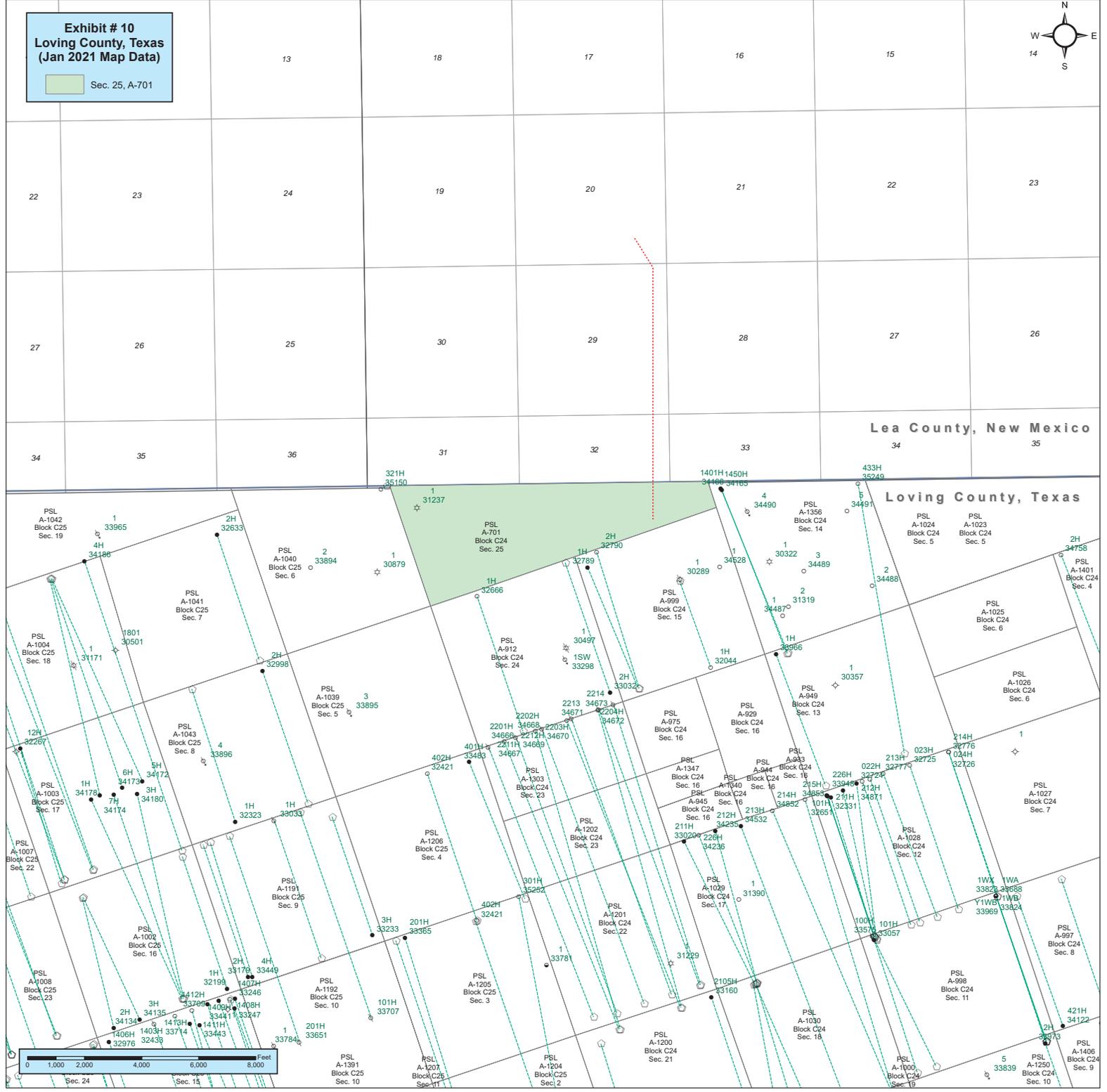
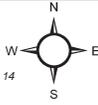
sshaheen@montand.com

jmcintyre@montand.com

Attorneys for Titus Oil & Gas Production, LLC

Exhibit # 10
Loving County, Texas
(Jan 2021 Map Data)

Sec. 25, A-701





RAILROAD COMMISSION OF TEXAS

Form G-1

1701 N. Congress
 P.O. Box 12967
 Austin, Texas 78701-2967

Status: Approved
 Date: 09/06/2016
 Tracking No.: 160124

GAS WELL BACK PRESSURE TEST, COMPLETION OR RECOMPLETION REPORT,

| OPERATOR INFORMATION | | | |
|----------------------|--------------------------------------------------------------------------|----------|--------|
| Operator | OXY USA INC. | Operator | 630591 |
| Operator | ATTN KELLEY MONTGOMERY 5 GREENWAY PLAZA SUITE 110 HOUSTON, TX 77046-0000 | | |

| WELL INFORMATION | | | |
|----------------------------------|------------------------------------------------------------------|--------------|------------------|
| API | 42-301-31237 | County: | LOVING |
| Well | 1 | RRC District | 08 |
| Lease | MEDICINE MAN | Field | ARAPAHO (STRAWN) |
| RRC Gas ID | 213078 | Field No.: | 03355600 |
| Location | Section: 25, Block: C24, Survey: PSL/RUSSELL, W B, Abstract: 701 | | |
| Latitude | | Longitud | |
| This well is | 22.8 | miles in | NORTHEAST |
| direction | MENTONE, | | |
| which is the nearest town in the | | | |

Docket # OG-21-06089
Titus Oil & Gas Prod., LLC
Date: April 13, 2021
Exhibit No. 11

| FILING INFORMATION | | | |
|--------------------------------------------------|--------------------|----------------------------|------------|
| Purpose of | Well Record Only | | |
| Type of | Other/Recompletion | | |
| Well Type: | Producing | Completion or Recompletion | 06/26/2016 |
| Type of Permit | | Date | Permit No. |
| Permit to Drill, Plug Back, or Rule 37 Exception | | 01/05/2006 | 561266 |
| Fluid Injection | | | |
| O&G Waste Disposal | | | |
| Other: | | | |

| COMPLETION INFORMATION | | | |
|---------------------------------------------------------------------------------------|----------------------------|------------------------------------------------------------------------|---------------------------|
| Spud | 10/05/2005 | Date of first production after rig | 06/26/2016 |
| Date plug back, deepening, drilling operation | 06/18/2016 | Date plug back, deepening, recompletion, drilling operation | 06/26/2016 |
| Number of producing wells on this lease this field (reservoir) including this | 1 | Distance to nearest well in lease & reservoir | 0.0 |
| Total number of acres in | 636.00 | Elevation | 3198 GL |
| Total depth TVD | 16495 | Total depth MD | |
| Plug back depth TVD | 15000 | Plug back depth MD | |
| Was directional survey made other inclination (Form W- | No | Rotation time within surface casing Is Cementing Affidavit (Form W-15) | Yes |
| Recompletion or | Yes | Multiple | No |
| Type(s) of electric or other log(s) | Gamma Ray (MWD) | | |
| Electric Log Other Description: | | | |
| Location of well, relative to nearest lease boundaries of lease on which this well is | 660.0 Feet from the | West Line and | Off Lease: No |
| | 660.0 Feet from the | North Line of the | |
| | | MEDICINE MAN Lease. | |
| FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO. | | | |
| <u>Field & Reservoir</u> | <u>Gas ID or Oil Lease</u> | <u>Well No.</u> | <u>Prior Service Type</u> |

| ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. | | | |
|-----------------------------------------------------------------------|-----------------------|-------------------------------------------------|----------------------|
| Was hydraulic fracturing treatment | | No | |
| Is well equipped with a downhole actuation sleeve? No | | If yes, actuation pressure | |
| Production casing test pressure (PSIG) hydraulic fracturing | | Actual maximum pressure (PSIG) during fracturin | |
| Has the hydraulic fracturing fluid disclosure been | | No | |
| Ro | Type of Operation | Amount and Kind of Material Used | Depth Interval (ft.) |
| 1 | Fracture | 5000 GAL @ 7.5% ACID; 5000 GAL @ 15% ACID | 14557.0 14913.0 |
| 2 | Cast Iron Bridge Plug | CIBP SET WITH 20' CEMENT | 14980.0 15000.0 |

| FORMATION RECORD | | | | | |
|----------------------------------------------------------------------------------------------|-------------------|------------------|-----------------|-------------------------------|----------------|
| <u>Formations</u> | <u>Encountere</u> | <u>Depth TVD</u> | <u>Depth MD</u> | <u>Is formation isolated?</u> | <u>Remarks</u> |
| DELAWARE | Yes | 5404.0 | | Yes | |
| BONE SPRING | Yes | 9416.0 | | Yes | |
| WOLFCAMP | Yes | 12556.0 | | Yes | |
| Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm | | | | | No |
| Is the completion being downhole commingled (SWR | | | | | No |

| REMARKS |
|------------------------------------------------------------------------------|
| SET PLUG @ 15000 FT. TO RECOMPLETE UPHOLE. ADDED NEW PERFS IN EXISTING ZONE. |

3

RRC REMARKS

PUBLIC COMMENTS:

CASING RECORD :

TUBING RECORD:

PRODUCING/INJECTION/DISPOSAL INTERVAL :

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :

SET A 4 1/2' CIBP WITH 20' CEMENT ON TOP. W15 FOR PLUG IS ATTACHED.

GAS MEASUREMENT DATE REMARK:

OPERATOR'S CERTIFICATION

| | | | |
|------------------|----------------|--------------|------------------------|
| Printed | Sarah Chapman | Title | Regulatory Coordinator |
| Telephone | (713) 350-4997 | Date | 08/24/2016 |

4



Production Reports

PR Queries Home New Lease ID's Built Query

Query Results Production by Lease

Current Operator: OXY USA INC. (630591)
Field: ARAPAHO (STRAWN)
Lease: MEDICINE MAN
Prod Month Range: Jan 2020 - Jan 2021

District: 08
RRC Identifier: 213078
Gas Well #: 1
Lease Type: Gas

Showing: 1 - 12 of 13 results

| Oil/Condensate (Whole Barrels) | | | | | | | Gas/Casinghead Gas - MCF | | | |
|--------------------------------|----------------------|----------------------------|------------|-------------|------|----------------------|--------------------------|-------------|------|--|
| Prod Month | Commingle Permit No. | On Hand Beginning of Month | Production | Disposition | | On Hand End of Month | Formation Production | Disposition | | |
| | | | | Volume | Code | | | Volume | Code | |
| 01/2020 | 5936 | 411 | 777 | 681 | 01 | 507 | 21,906 | 21,906 | 02 | |
| 02/2020 | 5936 | 507 | 736 | 734 | 01 | 509 | 20,908 | 20,908 | 02 | |
| 03/2020 | 5936 | 509 | 663 | 929 | 01 | 243 | 21,276 | 21,276 | 02 | |
| 04/2020 | 5936 | 243 | 690 | 738 | 01 | 195 | 20,818 | 20,818 | 02 | |
| 05/2020 | 5936 | 195 | 752 | 743 | 01 | 204 | 22,037 | 22,037 | 02 | |
| 06/2020 | 5936 | 204 | 616 | 555 | 01 | 265 | 20,121 | 20,121 | 02 | |
| 07/2020 | 5936 | 265 | 656 | 731 | 01 | 190 | 19,514 | 19,514 | 02 | |
| 08/2020 | 5936 | 190 | 525 | 548 | 01 | 167 | 16,631 | 16,631 | 02 | |
| 09/2020 | 5936 | 167 | 465 | 370 | 01 | 262 | 14,496 | 14,496 | 02 | |
| 10/2020 | 5936 | 262 | 479 | 554 | 01 | 187 | 15,095 | 15,095 | 02 | |
| 11/2020 | 5936 | 187 | 608 | 552 | 01 | 243 | 19,841 | 19,841 | 02 | |
| 12/2020 | 5936 | 243 | 693 | 735 | 01 | 201 | 21,471 | 21,471 | 02 | |

[[Next >](#)] | Page: 1 2 of 2

Lease Comments

none

5



Production Reports

PR Queries Home New Lease ID's Built Query

Query Results Production by Lease

| | | | |
|--------------------------|------------------------------|------------------------|---------------|
| Current Operator: | OXY USA INC. (630591) | District: | 08 |
| Field: | ARAPAHO (STRAWN) | RRC Identifier: | 213078 |
| Lease: | MEDICINE MAN | Gas Well #: | 1 |
| Prod Month Range: | Jan 2020 - Jan 2021 | Lease Type: | Gas |

Showing: 13 - 13 of 13 results

| Oil/Condensate (Whole Barrels) | | | | | | Gas/Casinghead Gas - MCF | | | |
|--------------------------------|----------------------|----------------------------|------------|-------------|------|--------------------------|----------------------|-------------|------|
| Prod Month | Commingle Permit No. | On Hand Beginning of Month | Production | Disposition | | On Hand End of Month | Formation Production | Disposition | |
| | | | | Volume | Code | | | Volume | Code |
| 01/2021 | 5936 | 201 | 525 | 550 | 01 | 176 | 17,226 | 17,226 | 02 |

[< Previous] | Page: 1 2 of 2

Lease Comments
none

[Disclaimer](#) | [RRC Online Home](#) | [RRC Home](#) | [Contact](#)

6



RAILROAD COMMISSION OF TEXAS

Form W-2

1701 N. Congress
 P.O. Box 12967
 Austin, Texas 78701-2967

Status: Approved
 Date: 03/31/2017
 Tracking No.: 161899

OIL WELL POTENTIAL TEST, COMPLETION OR RECOMPLETION REPORT,

| OPERATOR INFORMATION | | | |
|----------------------|----------------------------------------------------------------|----------|--------|
| Operator | EOG RESOURCES, INC. | Operator | 253162 |
| Operator | ATTN: PRODUCTION REGULATORY PO BOX 2267 MIDLAND, TX 79702-0000 | | |

| WELL INFORMATION | | | |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------|--------------|--------------------|
| API | 42-301-32789 | County: | LOVING |
| Well No.: | 1H | RRC District | 08 |
| Lease | CONNIE MACK | Field | PHANTOM (WOLFCAMP) |
| RRC Lease | 48340 | Field No.: | 71052900 |
| Location | Section: 15, Block: C24, Survey: PSL/BRUNSON, G S, Abstract: 999 | | |
| Latitude | | Longitude | |
| This well is 22.8 miles in a NE direction from MENTONE, which is the nearest town in the | | | |

Docket # OG-21-06089
Titus Oil & Gas Prod., LLC
Date: April 13, 2021
Exhibit No. 12

| FILING INFORMATION | | | |
|--------------------------------------------------|-------------------|----------------------------|------------|
| Purpose of | Initial Potential | | |
| Type of | New Well | | |
| Well Type: | Producing | Completion or Recompletion | 09/08/2016 |
| Type of Permit | | Date | Permit No. |
| Permit to Drill, Plug Back, or Rule 37 Exception | | 11/13/2015 | 811938 |
| Fluid Injection | | | |
| O&G Waste Disposal | | | |
| Other: | | | |

| COMPLETION INFORMATION | | | |
|-------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Spud | 12/31/2015 | Date of first production after rig | 09/08/2016 |
| Date plug back, deepening, drilling operation | 12/31/2015 | Date plug back, deepening, recompletion, drilling operation | 01/23/2016 |
| Number of producing wells on this lease this field (reservoir) including this | 1 | Distance to nearest well in lease & reservoir | 0.0 |
| Total number of acres in | 645.06 | Elevation | 3207 GR |
| Total depth TVD | 12623 | Total depth MD | 17132 |
| Plug back depth TVD | 12614 | Plug back depth MD | 17130 |
| Was directional survey made other inclination (Form W- Yes | | Rotation time within surface casing Is Cementing Affidavit (Form W-15) | 144.5 Yes |
| Recompletion or | No | Multiple | No |
| Type(s) of electric or other log(s) | Gamma Ray (MWD) | | |
| Electric Log Other Description: | | | |
| Location of well, relative to nearest lease of lease on which this well is | 199.0 Feet from the | 679.0 Feet from the | Off Lease : No SE Line and SW Line of the CONNIE MACK Lease. |

| FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO. | | | |
|---------------------------------------------------------|-------------------|---------------------|----------|
| | Field & Reservoir | Gas ID or Oil Lease | Well No. |
| PACKET: | N/A | | |

| | | | |
|-----------------------------------------------------------------------|--------------|-------|------------------------|
| W2: | N/A | | |
| FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY: | | | |
| GAU Groundwater Protection Determination | Depth | 500.0 | Date 11/13/2015 |
| SWR 13 Exception | Depth | | |

| INITIAL POTENTIAL TEST DATA FOR NEW COMPLETION OR RECOMPLETION | | | |
|----------------------------------------------------------------|------------|------------------------------|---------|
| Date of | 09/12/2016 | Production | Flowing |
| Number of hours | 24 | Choke | 64/64 |
| Was swab used during this | No | Oil produced prior to | 2726.00 |
| PRODUCTION DURING TEST PERIOD: | | | |
| Oil | 1078.00 | Gas | 608 |
| Gas - Oil | 564 | Flowing Tubing | 6110.00 |
| Water | 6187 | | |
| CALCULATED 24-HOUR RATE | | | |
| Oil | 1078.0 | Gas | 608 |
| Oil Gravity - API - 60.: | 44.0 | Casing | 1092.00 |
| Water | 6187 | | |

| CASING RECORD | | | | | | | | | | | |
|---------------|-----------------------|--------------------------|------------------|----------------------|---------------------------|---------------------------|---------------------|---------------------|----------------------------|----------------------------|--------------------------|
| <u>Ro</u> | <u>Type of Casing</u> | <u>Casing Size (in.)</u> | <u>Hole Size</u> | <u>Setting Depth</u> | <u>Multi - Stage Tool</u> | <u>Multi - Stage Shoe</u> | <u>Cement Class</u> | <u>Cement Amoun</u> | <u>Slurry Volume (cu.)</u> | <u>Top of Cement (ft.)</u> | <u>TOC Determined By</u> |
| 1 | Surface | 10 3/4 | 14 3/4 | 685 | | | C | 535 | 820.0 | 0 | Circulated to Surface |
| 2 | Intermediate | 7 5/8 | 9 7/8 | 10930 | | | TXI & H | 861 | 2699.0 | 2900 | Calculation |
| 3 | Tapered Production | 5 1/2 | 6 3/4 | 17130 | | | H | 710 | 923.0 | 9750 | Calculation |
| 4 | Tapered Production | 5 | 6 3/4 | 17130 | | | H | 710 | 923.0 | 9750 | Calculation |

| LINER RECORD | | | | | | | | | |
|--------------|-------------------|------------------|------------------|---------------------|---------------------|---------------------|----------------------------|----------------------------|-----------------------|
| <u>Ro</u> | <u>Liner Size</u> | <u>Hole Size</u> | <u>Liner Top</u> | <u>Liner Bottom</u> | <u>Cement Class</u> | <u>Cement Amoun</u> | <u>Slurry Volume (cu.)</u> | <u>Top of Cement (ft.)</u> | <u>TOC Determined</u> |
| N/A | | | | | | | | | |

| TUBING RECORD | | | |
|---------------|-------------------|-------------------------|--------------------------------|
| <u>Ro</u> | <u>Size (in.)</u> | <u>Depth Size (ft.)</u> | <u>Packer Depth (ft.)/Type</u> |
| 1 | 2 7/8 | 11072 | 11042 / AS1X |

| PRODUCING/INJECTION/DISPOSAL INTERVAL | | | |
|---------------------------------------|-------------------|-------------------|-----------------|
| <u>Ro</u> | <u>Open hole?</u> | <u>From (ft.)</u> | <u>To (ft.)</u> |
| 1 | No | L1 12864 | 17012.0 |

| ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. | | | |
|--------------------------------------------------------------------------|--------------------------|----------------------------------------------------------------|-----------------------------|
| Was hydraulic fracturing treatment | | Yes | |
| Is well equipped with a downhole sleeve? No | | If yes, actuation pressure | |
| Production casing test pressure (PSIG) hydraulic fracturing 11510 | | Actual maximum pressure (PSIG) during fracturin 11000 | |
| Has the hydraulic fracturing fluid disclosure been | | Yes | |
| <u>Ro</u> | <u>Type of Operation</u> | <u>Amount and Kind of Material Used</u> | <u>Depth Interval (ft.)</u> |
| 1 | Fracture | 9,773,290 LBS PROPPANT; 528 BBLs ACID; 204,502 BBLs TOTAL LOAD | 12864 17012 |

| FORMATION RECORD | | | | | |
|-----------------------------------------------------------------------------------------------------|-------------------|------------------|-----------------|---------------------|----------------------------|
| <u>Formations</u> | <u>Encountere</u> | <u>Depth TVD</u> | <u>Depth MD</u> | <u>Is formation</u> | <u>Remarks</u> |
| RED BLUFF | No | | | No | GEOLOGICALLY NOT PRESENT |
| BELL CANYON | Yes | 5369.0 | 5369.0 | Yes | |
| BRUSHY CANYON | Yes | 7983.0 | 7983.0 | Yes | |
| DELAWARE | Yes | 5369.0 | 5369.0 | Yes | SAME AS TOP OF BELL CANYON |
| CHERRY CANYON | Yes | 6420.0 | 6420.0 | Yes | |
| BONE SPRINGS | Yes | 9267.0 | 9267.0 | Yes | |
| WOLFCAMP | Yes | 12483.0 | 12587.0 | Yes | TARGET |
| PENNSYLVANIAN | No | | | No | BELOW TD |
| STRAWN | No | | | No | BELOW TD |
| ATOKA - HIGH PRESSURE | No | | | No | BELOW TD |
| MORROW | No | | | No | BELOW TD |
| DEVONIAN | No | | | No | BELOW TD |
| FUSSELMAN | No | | | No | BELOW TD |
| ELLENBURGER | No | | | No | BELOW TD |
| Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm | | | | | No |
| Is the completion being downhole commingled | | | | | No |

REMARKS

KOP @ 12,157' MD.

B

RRC REMARKS

PUBLIC COMMENTS:

[RRC Staff 2017-01-23 11:10:19.127] EDL=4148 feet, max acres=640, PHANTOM (WOLFCAMP) oil or gas well

CASING RECORD :

THE 5 1/2" AND 5" PRODUCTION STRING IS A TAPERED CASING THAT SHARES THE SAME W-15 CEMENTING JOB. CROSSOVER IS AT 11,144'.

TUBING RECORD:

PRODUCING/INJECTION/DISPOSAL INTERVAL :

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :

POTENTIAL TEST DATA:

OPERATOR'S CERTIFICATION

| | | | |
|------------------|------------------|---------------|------------|
| Printed | Robert Humphreys | Title: | |
| Telephone | (432) 686-3693 | Date | 01/16/2017 |

4



RAILROAD COMMISSION OF TEXAS

Form W-2

1701 N. Congress
 P.O. Box 12967
 Austin, Texas 78701-2967

Status: Approved
 Date: 04/04/2018
 Tracking No.: 184979

OIL WELL POTENTIAL TEST, COMPLETION OR RECOMPLETION REPORT,

| OPERATOR INFORMATION | | | |
|----------------------|-----------------------------------------------|----------|--------|
| Operator | RSP PERMIAN, LLC | Operator | 732224 |
| Operator | 1CC 600 W ILLINOIS AVE MIDLAND, TX 79701-0000 | | |

| WELL INFORMATION | | | |
|----------------------------------|------------------------------------------------------------------|--------------|--------------------|
| API | 42-301-33032 | County: | LOVING |
| Well No.: | 2H | RRC District | 08 |
| Lease | PISTOL 24-24 | Field | PHANTOM (WOLFCAMP) |
| RRC Lease | 49428 | Field No.: | 71052900 |
| Location | Section: 24, Block: C24, Survey: PSL/RUSSELL, W B, Abstract: 912 | | |
| Latitude | | Longitud | |
| This well is | 22 | miles in a | NE |
| direction from | MENTONE, | | |
| which is the nearest town in the | | | |

Docket # OG-21-06089
Titus Oil & Gas Prod., LLC
Date: April 13, 2021
Exhibit No. 13

| FILING INFORMATION | | | |
|--------------------------------------------------|-------------------|----------------------------|-------------------|
| Purpose of | Initial Potential | | |
| Type of | New Well | | |
| Well Type: | Producing | Completion or Recompletion | 08/28/2017 |
| <u>Type of Permit</u> | | <u>Date</u> | <u>Permit No.</u> |
| Permit to Drill, Plug Back, or Rule 37 Exception | | 10/14/2016 | 818911 |
| Fluid Injection | | | |
| O&G Waste Disposal | | | |
| Other: | | | |

| COMPLETION INFORMATION | | | |
|-------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------|------------|
| Spud | 01/20/2017 | Date of first production after rig | 08/28/2017 |
| Date plug back, deepening, drilling operation | 02/17/2017 | Date plug back, deepening, recompletion, drilling operation | 05/14/2017 |
| Number of producing wells on this lease this field (reservoir) including this | 2 | Distance to nearest well in lease & reservoir | 3313.0 |
| Total number of acres in | 640.00 | Elevation | 3205 GR |
| Total depth TVD | 12817 | Total depth MD | 17512 |
| Plug back depth TVD | | Plug back depth MD | |
| Was directional survey made other inclination (Form W- | Yes | Rotation time within surface casing | 48.0 |
| Recompletion or | No | Is Cementing Affidavit (Form W-15) | Yes |
| Type(s) of electric or other log(s) | Combo of Induction/Neutron/Density | | |
| Electric Log Other Description: | | | |
| Location of well, relative to nearest lease of lease on which this well is | 200.0 Feet from the | Off Lease : | No |
| | 375.0 Feet from the | North Line and | |
| | | East Line of the | |
| | | PISTOL 24-24 Lease. | |

| FORMER FIELD (WITH RESERVOIR) & GAS ID OR OIL LEASE NO. | | | |
|---------------------------------------------------------|---------------------|----------|--------------------|
| Field & Reservoir | Gas ID or Oil Lease | Well No. | Prior Service Type |
| PACKET: | N/A | | |

| | |
|-----------------------------------------------------------------------|-----------------------------|
| W2: | N/A |
| FOR NEW DRILL OR RE-ENTRY, SURFACE CASING DEPTH DETERMINED BY: | |
| GAU Groundwater Protection Determination | Depth 500.0 Date 10/03/2016 |
| SWR 13 Exception | Depth |

| INITIAL POTENTIAL TEST DATA FOR NEW COMPLETION OR RECOMPLETION | | | |
|----------------------------------------------------------------|------------|-----------------------|----------|
| Date of | 08/30/2017 | Production | Flowing |
| Number of hours | 24 | Choke | 36/64 |
| Was swab used during this | No | Oil produced prior to | 43496.00 |
| PRODUCTION DURING TEST PERIOD: | | | |
| Oil | 374.00 | Gas | 474 |
| Gas - Oil | 1267 | Flowing Tubing | 240.00 |
| Water | 1155 | | |
| CALCULATED 24-HOUR RATE | | | |
| Oil | 374.0 | Gas | 474 |
| Oil Gravity - API - 60.: | 43.3 | Casing | 0.00 |
| Water | 1155 | | |

| CASING RECORD | | | | | | | | | | | |
|---------------|-------------------------|------------------------|--------------|-------|--------------------|--------------------|--------------|---------------|---------------------|---------------------|-----------------------|
| Ro | Type of Casing | Casing Hole Size (in.) | Setting Size | Depth | Multi - Stage Tool | Multi - Stage Shoe | Cement Class | Cement Amount | Slurry Volume (cu.) | Top of Cement (ft.) | TOC Determined By |
| 1 | Surface | 13 3/8 | 17 1/2 | 526 | | | C | 495 | 784.0 | 0 | Circulated to Surface |
| 2 | Intermediate | 9 5/8 | 12 1/4 | 5374 | | | C | 1245 | 3307.0 | 0 | Circulated to Surface |
| 3 | Conventional Production | 7 | 8 3/4 | 13005 | | | P-110 | 870 | 2192.0 | 5374 | Calculation |

| LINER RECORD | | | | | | | | | |
|--------------|------------|-----------|-----------|--------------|--------------|---------------|---------------------|---------------------|----------------|
| Ro | Liner Size | Hole Size | Liner Top | Liner Bottom | Cement Class | Cement Amount | Slurry Volume (cu.) | Top of Cement (ft.) | TOC Determined |
| 1 | 6 1/8 | 4 1/2 | 11289 | 17502 | H | 275 | 723.0 | 1300 5 | Calculation |

| TUBING RECORD | | | |
|---------------|------------|-------|-------------------------|
| Ro | Size (in.) | Depth | Size (ft.) |
| 1 | 2 7/8 | 11289 | |
| | | | Packer Depth (ft.)/Type |
| | | | / |

| PRODUCING/INJECTION/DISPOSAL INTERVAL | | | |
|---------------------------------------|------------|------------|----------|
| Ro | Open hole? | From (ft.) | To (ft.) |
| 1 | No | L1 13029 | 17380.0 |

| ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. | | | |
|-----------------------------------------------------------------------|-------------------|-------------------------------------------------|----------------------|
| Was hydraulic fracturing treatment | Yes | | |
| Is well equipped with a downhole sleeve? | No | If yes, actuation pressure | |
| Production casing test pressure (PSIG) hydraulic fracturing | 8000 | Actual maximum pressure (PSIG) during fracturin | 8777 |
| Has the hydraulic fracturing fluid disclosure been | Yes | | |
| Ro | Type of Operation | Amount and Kind of Material Used | Depth Interval (ft.) |

21

1 Fracture TLTR - 211,214 BBLS; 100 MESH - 11,084,020 LBS; ACID - 13029 17380
1,985.5 BBLS

FORMATION RECORD

| <u>Formations</u> | <u>Encountere</u> | <u>Depth TVD</u> | <u>Depth MD</u> | <u>Is formation</u> | <u>Remarks</u> |
|-----------------------|-------------------|------------------|-----------------|---------------------|-----------------------------|
| RED BLUFF | Yes | 3900.0 | 3900.0 | Yes | ENCOUNTERED - NOT LOGGED |
| BELL CANYON | Yes | 5423.0 | 5423.0 | Yes | |
| BRUSHY CANYON | Yes | 7895.0 | 7898.0 | Yes | |
| DELAWARE | Yes | 6500.0 | 6500.0 | Yes | ENCOUNTERED - NOT LOGGED |
| CHERRY CANYON | Yes | 6297.0 | 6298.0 | Yes | |
| BONE SPRINGS | Yes | 9331.0 | 9333.0 | Yes | |
| WOLFCAMP | Yes | 12565.0 | 12623.0 | Yes | |
| PENNSYLVANIAN | No | | | No | BELOW TVD - NOT ENCOUNTERED |
| STRAWN | No | | | No | BELOW TVD - NOT ENCOUNTERED |
| ATOKA - HIGH PRESSURE | No | | | No | BELOW TVD - NOT ENCOUNTERED |
| MORROW | No | | | No | BELOW TVD - NOT ENCOUNTERED |
| DEVONIAN | No | | | No | BELOW TVD - NOT ENCOUNTERED |
| FUSSELMAN | No | | | No | BELOW TVD - NOT ENCOUNTERED |
| ELLENBURGER | No | | | No | BELOW TVD - NOT ENCOUNTERED |

Do the producing interval of this well produce H2S with a concentration in excess of 100 ppm Yes

Is the completion being downhole commingled No

REMARKS

KOP = 12060 MD/ 12057 TVD

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RRC REMARKS

PUBLIC COMMENTS:

[RRC Staff 2018-01-10 10:13:35.902] EDL=4351 feet, max acres=640, PHANTOM (WOLFCAMP) oil or gas well

CASING RECORD :

TUBING RECORD:

PRODUCING/INJECTION/DISPOSAL INTERVAL :

ACID, FRACTURE, CEMENT SQUEEZE, CAST IRON BRIDGE PLUG, RETAINER, ETC. :

POTENTIAL TEST DATA:

OPERATOR'S CERTIFICATION

| | | | |
|------------------|----------------|---------------|--------------------|
| Printed | Adela Molina | Title: | Regulatory Analyst |
| Telephone | (432) 818-1367 | Date | 03/27/2018 |

4

RAILROAD COMMISSION OF TEXAS

TUESDAY, APRIL 13, 2021

REPORTED BY: WILLIAM C. BEARDMORE, CSR

APPEARANCES

FOR TITUS OIL & GAS PRODUCTION, LLC:

Mr. George Neale
ATTORNEYS
1601 Rio Grande Street, Suite 335
Austin, Texas 78767-1945
512.477.1976
512.477.1907 (Fax)

FOR COMMISSION STAFF:

Ms. Jessica H. Mendoza
Staff Attorney
Office of General Counsel - Enforcement
1701 N. Congress
Austin, Texas 78711-2967
512.463.3176
jessica.mendoza@rrc.texas.gov

BEFORE THE
RAILROAD COMMISSION OF TEXAS

REQUEST BY TITUS OIL & GAS)OIL & GAS DOCKET NO.
PRODUCTION, LLC (OPERATOR NO.)OG-21-00006089
800622) TO CONTEST DRILLING)
PERMITS UNIT DENIAL OF)
ADMINISTRATIVE APPROVAL FOR THE EL)
CAMPEON FED COM LEASE, WELL NO.)
404H, PHANTOM (WOLFCAMP) FIELD,)
LOVING COUNTY, TEXAS; DISTRICT 08)

ALJ: EZRA JOHNSON
TECHNICAL EXAMINER: AUSTIN GASKAMP

BE IT REMEMBERED THAT THE ABOVE-CAPTIONED
matter came on for hearing at approximately 1:32 p.m. on
the 13th day of April 2021 and was reported by William
C. Beardmore, Certified Shorthand Reporter in and for
the State of Texas, reported remotely by computerized
stenotype via Zoom audio/video at my office in
Georgetown, Texas, 78633.

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EXHIBIT A-8
Titus Oil & Gas Production, LLC
NMOCD Case No. 21872
JUNE 17, 2021

EXHIBIT INDEX

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N.O. = Not Offered

Jones. He's the Vice President of Land. We also have Rick Johnston. He's a local consulting PE, as you know, and, finally, we have Sharon Shaheen. Sharon is an expert in New Mexico Oil & Gas, Regulatory, and so we thought we would have her available in case Staff had any questions about the New Mexico side of this process. Thank you.

JUDGE JOHNSON: Thank you. And for Staff?

MS. MENDOZA: Yes, sir. Jessica Mendoza, Office of General Counsel representing the Oil & Gas Division of the Railroad Commission of Texas, and then with me is Lorenzo Garza, Deputy Assistant Director, for the Administrative Compliance section of the Oil & Gas Division.

JUDGE JOHNSON: Thank you. And I believe we have some observers with us today.

MR. NEALE: Go ahead, Melissa. I didn't mean to interrupt you.

MS. FLACK: That's okay. My name is Melissa Flack. I work for Oxy. There were three other people from Oxy that were going to attend, but they had conflicting schedules. So they will not be attending.

MR. NEALE: And then, Judge Johnson, Will Tindol, he's an engineer employed by Titus.

JUDGE JOHNSON: All right. Very good.

PROCEEDINGS

APRIL 13, 2021

(1:32 p.m.)

(Exhibit Applicant Nos. 1-13 marked)

JUDGE JOHNSON: It is 1:32 p.m. on

April 13, 2021. For the record my name is Ezra Johnson, Administrative Law Judge, and with me today is Technical Examiner, Mr. Austin Gaskamp.

We are here to consider Oil and Gas Docket No. OG-21-0000 -- all right. Let's go off the record for a second.

(Brief pause off the record)

JUDGE JOHNSON: We're back on the record.

My apologies. Again, this is Docket No. OG-21-00006089, Request by Titus Oil & Gas Production, LLC to Contest Drilling Permit Unit Denial of Administrative Approval for the El Campeon FED Com Lease, Well No. 404H, Phantom (Wolfcamp) Field in Loving County, Texas, District 08. Would all of those persons who are appearing here today in this matter please begin by making an oral appearance for the record?

We will start with the Applicant, Titus Oil & Gas Production, LLC.

MR. NEALE: Yes, sir, Judge. Thank you.

For the Applicant, George Neale. With me we have Walter

Thank you. If you anticipate offering testimony today in today's hearing would you please raise your right hand?

(Rick Johnston, Walt Jones and Sharon Shaheen, proposed witnesses, were sworn)

JUDGE JOHNSON: Thank you. You are sworn. All right. Before -- well, perhaps I shouldn't do that. Perhaps I should just turn the matter over to the Applicant. And, Mr. Neale, do you have an opening statement for us?

MR. NEALE: Yes, sir, just very brief.

OPENING STATEMENT BY TITUS OIL & GAS PRODUCTION, LLC

MR. NEALE: So if you will see through our testimony of Mr. Johnston and Mr. Jones, this is an application that's going to be -- the surface -- for a well with a surface location in New Mexico. It's going to be a horizontal well.

It's going to have producible open interval both on the New Mexico and the Texas side of the state line, and it's going to be a bottomhole, a terminus is going to be in Texas.

We have 13 exhibits that have been submitted. This is an application of, I think, first impression. And so, therefore, I -- and I don't want to speak for Ms. Mendoza, but I think she'll tell you that

1 the idea here was to have this hearing so that when
2 there are subsequent similar applications they might be
3 available for administrative approval as opposed to
4 approval via a hearing. Thank you.

5 JUDGE JOHNSON: Ms. Mendoza, any
6 follow-up?

7 MS. MENDOZA: Yes, sir.

8 OPENING STATEMENT BY COMMISSION STAFF

9 MS. MENDOZA: It's just that, as Mr. Neale
10 said, this is, in our understanding, a case of first
11 impression, and so we believe that this is a policy
12 determination to be put properly before the
13 Commissioners and not something that Staff can approve
14 administratively.

15 It is Staff's intent that if the
16 Commission does approve this particular application that
17 we will reach out to our counterpart in New Mexico,
18 NMOCD, the New Mexico Oil Conservation Division, and
19 enter into some sort of either memorandum of
20 understanding or other similar agreement to work out the
21 practical aspects and procedural aspects of coordinating
22 the drilling and completing and producing and all the
23 sort of practical implications that go along with well
24 producing from both Texas and New Mexico.

25 JUDGE JOHNSON: Very good. Thank you.

1 Well, I have many questions, but I suspect the best
2 thing to do is to save them until the end of the
3 Applicant's presentation. So I will turn the matter
4 over to Mr. Neale to begin doing that.

5 MR. NEALE: All right. Thank you, sir.
6 So our first witness is going to be Mr. Rick Johnston.

7 DIRECT CASE BY TITUS OIL & GAS PRODUCTION, LLC

8 RICK JOHNSTON,

9 having been first duly sworn, testified as follows:

10 DIRECT EXAMINATION

11 BY MR. NEALE:

12 Q So why don't you state your name for the
13 record, sir.

14 A My name is Rick Johnston.

15 Q So, Mr. Johnston, you have been employed as a
16 consultant on behalf of Titus in order to help
17 facilitate the presentation of this application to the
18 Railroad Commission?

19 A Correct.

20 Q And you prepared some exhibits -- I think 13 in
21 number -- that have been submitted to the Railroad
22 Commission, and I believe you're prepared to share the
23 screen as we go through those exhibits. Is that
24 correct?

25 A Yes.

1 MR. NEALE: And if it's all right with
2 you, Judge Johnson, we're ready to go to our first
3 exhibit.

4 JUDGE JOHNSON: Please do.

5 Q (BY MR. NEALE) All right. Let's start with
6 our first exhibit, please, Mr. Johnston.

7 A Can everybody see the exhibits?

8 Q Yes, sir.

9 JUDGE JOHNSON: Yes.

10 A Okay. Exhibit No. 1 is the notice of hearing
11 for this hearing. It basically lays out that we are
12 seeking approval of the drilling permit for the El
13 Campeon Fed Com, Well No. 404H in the Phantom (Wolfcamp)
14 Field. The Appendix A to the application lays out that
15 we're requesting a drilling permit. I guess in
16 discussions with the Staff -- Railroad Commission
17 staff -- we originally asked for a Rule 10 exception.
18 In discussions with Staff they've indicated that they
19 really don't think we need one of those.

20 The third item in the Appendix A was that
21 we were seeking a Rule 37 exception because we want to
22 be able to perforate this well all the way up against
23 the state line which is closer than the 100-foot
24 setback. So it would require a Rule 37 because of that.

25 Notice was given to the proper parties.

1 We gave notice to the NMOCD, the BLM.

2 Oxy has gotten -- well, they are not on
3 the notice list, but they are here at the hearing. Oxy
4 controls the acreage in Texas. Titus controls the
5 acreage in New Mexico.

6 So as far as the Rule 37 goes, proper
7 notice as to the Rule 37 would be to Titus who is the
8 Applicant.

9 Q (BY MR. NEALE) Okay. All right. So let's
10 proceed with your Exhibit 2, please.

11 A Exhibit No. 2 is a schematic showing what is
12 planned, and that is to have the surface location of
13 this well up in New Mexico drill a horizontal well that
14 will be landed in the Wolfcamp formation, drill it south
15 across the state line into Texas.

16 Well No. 404 is going to be in this
17 easterly-most slot if this is approved. The plan is to
18 have four different slots, and the plan is to end up
19 with stacked lateral wells in each one of these slots.

20 The applicable field down here in Texas is
21 Phantom (Wolfcamp). And, again, this application deals
22 with the easterly-most slot, Well No. 404H.

23 Q But you do know, do the not, Mr. Johnston, that
24 there are plans to drill additional wells if this
25 application is approved?

1 A Yes.

2 Q Okay. All right. So let's move on to our

3 Exhibit 3, please.

4 A Exhibit No. 3 is a copy of the Railroad

5 Commission Form W-1 as submitted by Titus.

6 You can see it was submitted back on

7 February 22nd and it's got the notation as submitted.

8 It showed a surface location one foot inside the state

9 of Texas, and there are a couple of errors. It's not

10 Abstract 912. I believe it's Abstract 701 and it's

11 Section 25, but this is the as-submitted W-1.

12 Q And we're going to have another Form W-1 which

13 is the current Form W-1. Is that correct?

14 A Yes, sir.

15 Q Okay. So let's move on to our next exhibit,

16 Exhibit 4, please.

17 A Exhibit No. 4 is a memo signed by Lorenzo Garza

18 wherein he is sending the -- this drilling permit

19 application up to Dana Lewis in the Hearings Division to

20 set the thing for hearing.

21 He's describing that the well is to be a

22 horizontal well to be drilled with a surface location in

23 New Mexico down into Texas, and that Staff does not feel

24 this application can be administratively approved and

25 that the Applicant wishes to go forward, and that's the

1 surface location up in New Mexico.

2 The number of acres has been changed to

3 just the number of acres that are down in Texas, which

4 is 49.2.

5 And, again, the field is Phantom

6 (Wolfcamp). And then there's a comment that's been

7 added to the W-1 that describes that this is going to be

8 a well with a surface location in Lee County, New

9 Mexico.

10 And when the well was mapped into the

11 Commission's GIS system the surface location of the well

12 will appear to be on the boundary line between the two

13 states, and it will just show that surface location down

14 to the terminus point in the Railroad Commission GIS

15 system, only in the state of Texas.

16 And then the fourth page of this exhibit

17 is the P-16 that shows that 49.2 acres will be assigned

18 to this well 404H. This is the way Mr. Garza requested

19 that the P-16 be filled out.

20 Q Okay. Let's move on to the surveyor's map.

21 We've marked that as Exhibit 6.

22 A Exhibit No. 6 is the well location plat that's

23 been filed with the Commission that accompanies the

24 pending approval Form W-1.

25 It shows the surface location of the well

1 subject of this hearing. This is what's precipitated

2 this hearing.

3 Q Now, it's clear from this letter and Commission

4 practice that across lease lines well have been

5 permitted and drilled before. Isn't that correct,

6 Mr. Johnston?

7 A In this day and time very common. Yes.

8 Q It's just that this one is different in that

9 the producing interval is going to be open on both sides

10 of the state line. Is that right?

11 A This well, if approved and drilled and

12 completed, will produce from both lands in New Mexico

13 and lands in Texas both.

14 To our knowledge this is the -- if this

15 well is drilled and completed this will be the first

16 time this is done between Texas and New Mexico.

17 Q All right. So let's move on to the current W-1

18 which you've marked as Applicant's Exhibit 5, please.

19 A Okay. Exhibit No. 5 is the Form W-1 with the

20 notation pending approval. There have been a number of

21 changes made to this Form W-1 as a result of

22 conversations that Mr. Neale and I have had with

23 Mr. Garza.

24 The surface location is now described as

25 being up in New Mexico with the calls as to the actual

1 up in New Mexico. The well will be drilled across the

2 state line into Texas.

3 And then it shows that the total acreage

4 in the proposed proration unit will be 282.84 acres over

5 along the lower right-hand margin of the plat in the

6 block titled Called Acreage Totals.

7 Tract 3 is the tract that's in Texas and

8 you can see that it's 49.2 acres. You can -- oops --

9 you can also see that the tract in Texas, Section 25, is

10 an unusually-shaped tract of land.

11 I believe it includes 636 acres, but it's

12 not a normal section.

13 Q And we're going to have some testimony on the

14 fact that in order to properly develop this sort of

15 lay-down triangle the predominant direction of the

16 drilling being north-south it would be difficult to

17 develop this tract without approval of this application.

18 Correct?

19 A Right. The stress is in the rock in the

20 Delaware Basin in this area are such that when you frac

21 a well the orientation of the fracs is east-west.

22 So when you drill these horizontal wells

23 you want to drill such that your -- the orientation of

24 the wellbore is perpendicular to how the fractures are

25 going to be created in the formation.

1 So with that in mind the wells need to be
2 drilled more south, and this being an unusual shaped
3 section it's not conducive to just drill little short
4 laterals.

5 They would be considered uneconomic. They
6 wouldn't be drilled.

7 Q And so is it safe to conclude, Mr. Johnston,
8 that in order for this tract to be developed it needs to
9 be drilled with a north-south pattern similar to what's
10 being proposed here today?

11 A Yes.

12 Q Okay. So let's move over to our next exhibit,
13 please, Exhibit 7. Identify this for the record, sir.

14 A Exhibit No. 7 is just a printout of the field
15 rules for the Phantom (Wolfcamp) Field.

16 The first point that we want to make is
17 that the current field rules allow for 320-acre units
18 with optional 20s, meaning you can assign acreage to a
19 well ranging from 320 acres all the way down to
20 20 acres.

21 With us assigning 49.2 acres on the Texas
22 side it does not require a Rule 38 exception. This is a
23 UFT field; so allowable issues will not come into play.

24 And then the spacing is 330, zero between
25 well, and then it has a first and last take-point rule

1 of a hundred feet.

2 That's why we need a Rule 3837 so we don't
3 have to leave the hundred-foot buffer on the south side
4 of the state line which represents the property
5 boundary.

6 Q And like you mentioned earlier, if a Rule 37 is
7 required for this well the only party that would be
8 required to be provided notice is the Applicant.
9 Correct?

10 A Yes, Titus Oil & Gas. That's right.

11 Q Okay. So let's move on to Exhibit 8 which
12 talks about the allocation of the production.

13 A Okay. Exhibit 8 is a table that was put
14 together by, I believe, the surveyor or perhaps somebody
15 at Titus, and what it does it is goes in and compares
16 the allocation based on surface acres and then also on
17 completed lateral length.

18 And you can see that either way you do it
19 the numbers are quite comparable. My understanding is
20 that -- indications are thus far that New Mexico would
21 lean in the direction of a surface acreage allocation.
22 So I believe that's the direction we're headed right
23 now.

24 Q Because it's going to be important that the
25 allocation be the same on both sides of the state line.

1 Correct, Mr. Johnston?

2 A Yes.

3 Q So let's move on to Exhibit 9, please.

4 A Exhibit 9 is a copy of an application that has
5 been filed with the state of New Mexico Department of
6 Energy Minerals and Natural Resources Oil Conservation
7 Division, NMOCD.

8 This is an application for an order
9 approving the production allocation of minerals in the
10 Wolfcamp formation, and this WC-025 G-09S263619C, as I
11 understand it, is the name of the field in New Mexico.

12 It goes on and talks about Titus being the
13 sole working interest owner in New Mexico. Occidental
14 Petroleum is the sole working interest owner in Texas.

15 And then Item 5 says that production will
16 be allocated to New Mexico and Texas prorated on the
17 basis of surface acreage in the proration unit or in any
18 other manner mutually acceptable to the Division and the
19 Railroad Commission of Texas.

20 So this application has been filed and
21 it's working its way through the NMOCD as I understand
22 it.

23 Q And then on Page 3 we see that Sharon Shaheen
24 is the one who submitted this to the New Mexico agency?

25 A Yes.

1 MR. NEALE: And she, Judge Johnson, is on
2 Zoom with us for questions that may arise on this
3 subject.

4 Q (BY MR. NEALE) So let's move on to our next
5 exhibit which is Exhibit No. 10, please.

6 A Okay.

7 Q Identify this for the record, sir.

8 A Exhibit No. 10 is a map that put together
9 showing Section 25 and a couple of sections up in New
10 Mexico that the well will be drilled through.

11 The red line on Exhibit No. 10 is my
12 estimation of the surface location and the path of the
13 well that will be drilled, and that is the red line.

14 The other purpose of this map is to show
15 that Section 25, again, is an odd-shaped section, and to
16 also show that there has already been development
17 started in the sections below.

18 With that development already having been
19 started it potentially leads one to believe that this
20 Section 25 if it's not developed from wells up in New
21 Mexico that this will end up being not developed. It
22 will just be an undeveloped island.

23 Q And if it's not developed, Mr. Johnston, do you
24 have an opinion as to whether or not there will be
25 hydrocarbon reserves that otherwise could be recovered

1 that will not be recovered?

2 A The hydrocarbons won't be developed and they
3 will be wasted. The problem is, you have a well in
4 Section 24 with a surface location here, and it's
5 already been drilled and producing. So it's already
6 started the development pattern.

7 And then you have this well over in
8 Section 15 that's been drilled from a pad to the south
9 up to the north, and it did not enter into this acreage.

10 So the development that's already been
11 initiated in the area is leaving this acreage out. And
12 then the next couple of exhibits I'm going to present
13 the completion papers for the one well that is located
14 on Section 25. This is an Oxy well.

15 Then I'm going to present the completion
16 papers for this EOG well and for this RSP well which are
17 the two wells that have done the development down to the
18 south and not included this acreage.

19 Q Okay. So let's move to Exhibit No. 11, please.

20 A Exhibit No. 11 is the Oxy well that is located
21 on Section 25. It's the Medicine Man No. 1.

22 You can see it's completed in the Arapaho
23 Strawn. It was completed there in 2016 -- oops -- and
24 you can see it has perforations down at 14,557 to 14913.
25 So this is completed down below the Wolfcamp.

1 1155 barrels of water.

2 MR. NEALE: So that -- Judge Johnson, that
3 concludes our direct testimony and exhibits from
4 Mr. Johnston. Maybe we could just ask him -- if you
5 would like, I'll ask him just one more time.

6 Q (BY MR. NEALE) So you believe this application
7 should be approved in order to prevent waste. Is that
8 correct?

9 A Yes.

10 MR. NEALE: And with that, Mr. -- Judge
11 Johnston, we offer our Exhibits 1 through 13 for
12 admission, please.

13 JUDGE JOHNSON: Without objection,
14 Applicant's 1 through 13 are admitted.
15 (Exhibit Applicant Nos. 1-13 admitted)

16 MS. SHEHEEN: No objection.

17 MR. NEALE: I'm sorry.

18 JUDGE JOHNSON: Thank you.

19 MR. NEALE: And so we have Walter Jones as
20 I mentioned earlier, the VP of Land for Titus, and
21 Sharon Shaheen, the New Mexico lawyer for Titus, and if
22 Staff or if Ms. Mendoza has any questions of either of
23 those two or Mr. Johnston, of course, they're all
24 prepared to be available for questions.

25 JUDGE JOHNSON: All right. Very good.

1 It is a pretty good well. I just printed
2 out the most recent portion of the production history,
3 and you can see it's pretty steadily producing about
4 20,000 Mcf a month and about 6- or 700 barrels of
5 condensate a month.

6 So I would expect that this well is
7 holding the Oxy acreage.

8 Q Let's go to the next well which we've marked as
9 Exhibit 12, please.

10 A The next well is the EOG Resources Connie Mack
11 No. 1H. This well was completed in the Phantom
12 (Wolfcamp) Field. The TD of this well is 12,623 which
13 is where the Wolfcamp is located, or at least that's
14 where this well landed.

15 This well's potential is for 1,078 barrels
16 of oil a day, along with 6,000 barrels of water, but
17 that's a pretty good well, 1,078 barrels a day.

18 Q All right.

19 A And then Exhibit 13 is the Form W-2 for the RSP
20 Permian, Pistol 24-24 No. 2H. This well was completed
21 in the Phantom (Wolfcamp). It's been producing since
22 2017. It has 640 acres assigned to it.

23 Well -- and, again, it's landed at a depth
24 of roughly 12,800 feet. It potential for 374 barrels
25 of water -- excuse me -- 374 barrels of oil and day and

1 Before we begin clarifying examination from the
2 Examiners I'll invite Staff to make any presentation
3 they'd like to make at this time.

4 MS. MENDOZA: No, sir. We don't have a
5 presentation to make. We just might have some closing
6 remarks to make sure certain issues are highlighted and
7 brought to the ALJ's attention to be included in the
8 final proposed order.

9 JUDGE JOHNSON: All right. Very good.
10 Thank you. Examiner Gaskamp, do you have any questions
11 for the Applicant or the Applicant's witnesses?

12 EXAMINER GASKAMP: I don't believe so.
13 Thank you.

14 JUDGE JOHNSON: So the issue of allocation
15 between the states, let's take that up for a minute.
16 This seems somewhat similar to me as the -- as an
17 allocation well-type permit where we're saying that
18 every tract of a horizontal well path is considered a
19 drill site tract, then presumably, you know, we can take
20 each one of those tracts in isolation, and, you know,
21 address the permitting process in that way.

22 It sounds to me like that's how the
23 Applicant is treating this as well. Am I understanding
24 that correctly, Mr. Neale?

25 MR. NEALE: Yes, sir. You are. That's

1 why -- for example, we believe that if this permit is
2 approved and the well drilled you'll see a surface
3 location in New Mexico as well as a representation of a
4 surface location in Texas at the state line.

5 JUDGE JOHNSON: And the need for the Rule
6 37 exception to avoid the 100-foot perpendicular
7 spacing, if we could talk a little bit more about that,
8 about the need for that.

9 I mean, is that going to make a huge
10 difference one way or the other? Is there -- is it
11 already expected that the nearest take-point will be
12 closer than that or is that just trying to afford
13 maximum flexibility during the drilling process?

14 MR. NEALE: So I'm not sure if either
15 Mr. Johnston or I know the answer to that question.
16 Maybe Mr. Jones might.

17 MR. JONES: Yeah. Just as far as in the
18 completion procedures, instead of having a setback on
19 the New Mexico side of a hundred feet plus another
20 100-foot setback for completion purposes, that's 200
21 feet of treatable lateral that we would not be able to
22 complete without a variance.

23 So that obviously affects the economics of
24 the well and would certainly be something we would plan
25 to complete and would hope to complete.

1 MR. JONES: So currently there is not,
2 though we have been -- we've spoken quite a bit with
3 Oxy, and they are not -- they have no objections to us
4 pursuing this as an option.

5 We do not have an agreement in place at
6 this point and that's as much a function of not knowing
7 the viability, you know, as far as if this would be
8 approved by the Railroad Commission.

9 And so we were waiting to see some
10 feedback from the Commission and from the New Mexico Oil
11 Conservation Division at which point we feel very
12 confident we will be able to enter into an agreement
13 with Oxy.

14 JUDGE JOHNSON: And does Titus own any
15 undivided interest in the tract in Texas?

16 MR. JONES: No, sir. We don't.

17 JUDGE JOHNSON: All right. That would
18 seem to suggest a good faith claim issue on the permit.
19 What is Titus's good faith claim to seek a drilling
20 permit and Rule 37 exception for property it has no
21 interest in?

22 MR. NEALE: So that's -- that is a
23 dilemma, Judge Johnson, and that's why there have been
24 substantial discussions between Titus and Oxy, and the
25 decision -- the business decision was made that a

1 JUDGE JOHNSON: All right. Well, the
2 understanding there then would be that -- I mean, what
3 I'm used to seeing is that you have, you know, the same
4 company on both sides of that property line. You know,
5 they're going to be able to account in some way to their
6 mineral lessors.

7 Am I understanding correctly based on this
8 plat that the state of New Mexico owns the minerals
9 under the -- immediately adjacent to the state line?

10 MR. JONES: That's correct. They own the
11 minerals under Section 32.

12 JUDGE JOHNSON: And the state of New
13 Mexico was noticed for this hearing from what I
14 understand from the exhibits presented by the Applicant?

15 MR. JONES: That's correct.

16 MR. NEALE: Just one clarifying point,
17 but, Mr. Jones, those minerals north of the Texas line,
18 those are leased by Titus, are they not?

19 MR. JONES: That's correct. Yeah. We
20 have the leases on 100 percent of the New Mexico side of
21 the wellbore.

22 MR. NEALE: All right.

23 JUDGE JOHNSON: And is there some kind of
24 joint operating agreement with Oxy that's making all of
25 this possible?

1 farm-out or some similar type of agreement would not be
2 entered into between Titus and Oxy unless the permit
3 were approved. Then the idea then would be to enter
4 into a formal agreement for the development of this
5 triangular shaped tract in Texas.

6 JUDGE JOHNSON: Well, that would seem to
7 create something of a chicken and egg problem.

8 MR. NEALE: Well, that's exactly how we've
9 described it, sir.

10 JUDGE JOHNSON: Because on top of the
11 potential precedent that we're setting here about wells
12 drilled between the two states and the -- the
13 potentially thorny jurisdictional issues there I'm
14 curious about the basic jurisdictional issue of issuing
15 a permit for a piece of property that the Applicant
16 admits they don't have an interest in.

17 MR. NEALE: And we -- like I said, we
18 characterized it similar to your characterization and we
19 recognize that.

20 The problem is that there's a difficulty
21 in suggesting that an agreement should be entered into
22 that would result in the tying up of the acreage in
23 Texas in the event that there was not a permit to drill
24 that well.

25 JUDGE JOHNSON: I mean, the Magnolia case

1 says that the Commission can't do a useless thing which
2 is to issue -- I mean, that's directly out of the famous
3 quote from the case which is about issuing a drilling
4 permit for which the Applicant can't demonstrate that it
5 has a basic good faith claim.

6 It seemed to me that that's open and shut
7 at this point, that without that piece in place we can't
8 even get to the issue of, you know, permitting this well
9 given these circumstances and determining the allocation
10 between how the states are going to allocate production
11 and presumably tax revenue.

12 I mean, that's kind of what I'm left with
13 here. Tell me how I can make a recommendation to the
14 Commissions on this given all of the policy implications
15 that they're going to have to wrestle with, and I also
16 have to tell them that, oh, by the way, the Applicant
17 doesn't have a good faith claim to the tract on which
18 they are proposing to drill this well.

19 MR. NEALE: And I think the only thing
20 that we can say in response to that is that not only
21 have there been substantial negotiations, but the folks
22 at Oxy do not object to this application, and Mr. Jones
23 will tell you -- and I think he already has -- that if
24 this permit were approved by New Mexico and Texas that
25 he fully believes that an agreement to develop the tract

1 in Texas would occur.

2 But you're exactly right. Currently we
3 don't have a legal document or a legal right to develop
4 the acreage in Texas.

5 JUDGE JOHNSON: Well, it just seems to me
6 that that's putting the cart before the horse. It
7 sounds like -- rather than wait and see if it's
8 permitted before there's an agreement it sounds to me
9 like you need an agreement before it's permitted.

10 So I think that's where we're -- I think
11 that's the only decision I'm really able to make here.
12 Unless somebody can convince me otherwise that seems to
13 be the answer in this matter.

14 MR. JONES: Is there -- would there be an
15 option for contingency, you know, to prove that only as
16 so long as there is an agreement between the parties
17 between Titus and Oxy or an affidavit or some sort of --

18 JUDGE JOHNSON: I mean, I would hesitate
19 to speculate on the record what would be necessary here
20 for the Applicant, but, I mean, without even something
21 like a memorandum of understanding, the fact that Oxy is
22 here and not making a protest doesn't sound like a good
23 faith claim as I understand it and the rule to require
24 one.

25 MR. NEALE: Well, Judge Johnson, we're

1 certainly willing to try to move along the discussions
2 with Oxy, and maybe if a Memorandum of Understanding is
3 necessary then we can pursue that -- that avenue. We
4 just --

5 JUDGE JOHNSON: Well, again, I want to be
6 very clear that I'm not suggesting to the parties what
7 they need to do or not do to establish a good faith
8 claim, but I'm just saying from my own experience
9 without even a bare minimum memorandum, I don't see how
10 that's supportable at this time.

11 Now, we can certainly -- if you would like
12 we can certainly put a pin in that issue and perhaps
13 that works itself out, as it were, while, you know, the
14 Examiners are considering what recommendation to make to
15 the Commission.

16 So let's go ahead. We can put the good
17 faith claim issue to one side for a second. I think
18 Mr. Jones's testimony establishes that they feel that
19 the Rule 37 exception is necessary to avoid potential
20 waste and be able to tap into reserves that might
21 otherwise go unrecovered if both states have a 100-foot
22 offset.

23 And I suppose it's beyond my pay grade to
24 talk about whether we do a surface acreage allocation
25 for revenues versus a wellbore application. I'm just

1 wondering since the shape of this tract is such that,
2 you know, the wellbores will get progressively longer in
3 the state of Texas. Is there some point at which it
4 doesn't -- I'm assuming that there's going to have to be
5 some reallocation of acreage here at some point.

6 Is that just something that we'll have to
7 take up as each well comes along, or has there been any
8 discussion on that point?

9 MR. NEALE: The discussion that we've
10 had -- and Mr. Jones can add to that if he likes, is
11 that we are trying to make this allocation formula match
12 with what is the standard for New Mexico.

13 That's why we presented that Exhibit No. 8
14 that showed what would happen based upon either surface
15 acreage or complete lateral footage which are typically
16 the only methodology that I'm aware of for horizontal
17 wells crossing multiple tracts.

18 The good news is, is that New Mexico
19 typically requires surface acreage and surface acreage
20 would give a higher percentage to Texas than would a
21 completed lateral.

22 I think that if -- in this order we might
23 be able to have -- we're hoping to have something that
24 would address that subject so that the next well would
25 not -- if following this precedent the next well would

1 also be production allocated on surface acreage.
 2 JUDGE JOHNSON: Mr. Neale and/or
 3 Ms. Mendoza, do we have -- does the Commission issue
 4 orders on allocation wells that specify how the
 5 allocation is to be undertaken?
 6 MR. NEALE: No, sir, not typically.
 7 JUDGE JOHNSON: Yeah, I didn't think so,
 8 but so -- but you'd be wanting something like this in
 9 the order for this well?
 10 MR. NEALE: Well, I think that -- if the
 11 idea here is to sort of develop a template for
 12 administrative approval of subsequent wells I think that
 13 would be of assistance because of the predominance in
 14 New Mexico of surface acreage allocation.
 15 MR. JOHNSTON: The Commission has issued
 16 orders for Rule 10s where you have diversity and
 17 ownership where they specify the allocation method.
 18 JUDGE JOHNSON: Okay. Ms. Mendoza, I
 19 mean, in terms of what the Examiners would recommend to
 20 the Commission, I mean, is there any -- any -- anything
 21 you might offer us on that point.
 22 Is that something that the Examiners would
 23 leave to the Commissioners to decide or would they be
 24 wanting a recommendation on that in some way?
 25 MS. MENDOZA: I'm not sure. I'm happy to

1 think the conclusion was that the majority of those
 2 subjects would be related to the surface location,
 3 which -- because it's going to be in New Mexico, Texas
 4 would not really have much jurisdiction, if any, over
 5 those operational issues. We have also --
 6 MS. MENDOZA: And that is something
 7 that -- sorry. Go ahead, Mr. Neale.
 8 MR. NEALE: One other thing. We have also
 9 talked about this allocation of production and payment
 10 of severance taxes, and we had them -- the Staff
 11 recommend that on our production report not only do we
 12 report the proportionate production from Texas, but we
 13 also include a number, which is the gross number, so
 14 that anybody attempting to research the production from
 15 this reservoir by this well it could have a gross number
 16 even though it only would be -- some portion of that
 17 would be allocated to Texas.
 18 MS. MENDOZA: And just to add onto that,
 19 the practical aspects of pollution flaring in other sort
 20 of operational concerns, I believe that that's something
 21 that we would address in that MOU with New Mexico and
 22 would not need to be addressed in the drilling permit
 23 application.
 24 JUDGE JOHNSON: Okay. Thank you. That's
 25 good to know. All right. Other than the good faith

1 go and do some research. I was unfamiliar with any Rule
 2 10 orders. I'm happy to go do some research on that,
 3 though, and I'd be happy to file a brief after the fact
 4 with that research, the results of that research if that
 5 would be useful, though.
 6 JUDGE JOHNSON: I suspect that it would.
 7 I think we could also put the Applicant on doing similar
 8 work to kind of help guide the Examiners on what we
 9 might think about when making recommendations to the
 10 Commission.
 11 MS. MENDOZA: Absolutely.
 12 JUDGE JOHNSON: Thank you. What about --
 13 I'm just thinking out loud here.
 14 You know, what about issues of pollution
 15 or concerns about frac hits? I mean, who is going to be
 16 responsible for those issues and is that something that
 17 we need to take up in the permitting process?
 18 I'm assuming it's not something that
 19 really is taken up in the permitting process because the
 20 assumption would be -- it would be one state or the
 21 other. Any thoughts on that?
 22 MR. NEALE: So, yes, sir, Judge. So we
 23 had a -- we being Rick Johnston and I had a conference
 24 call with Paul Dubois, Lorenzo Garza and Jessica Mendoza
 25 to talk about those sort of operational issues, and I

1 claim issue, again, to me, and kind of thinking about
 2 this before we got here today, you know, this seems to
 3 walk and quack like an allocation well-type issue.
 4 And certainly the Commission has been
 5 comfortable now for some time issuing allocation
 6 permits, and that the basic concept of allocation
 7 permits has, you know, received something of a blessing
 8 from the court system.
 9 So it certainly seems to me that the -- as
 10 far as the portion of the well that exists within the
 11 state of Texas, it seems like the policy concerns
 12 surrounding the permitting itself are perhaps less
 13 salient than issues like how do you allocate revenue,
 14 how do you allocate responsibility for other regulatory
 15 issues that come up in operations.
 16 But it sounds like, from what I'm hearing
 17 from Ms. Mendoza, that that would be addressed through a
 18 separate agreement between the state agencies through at
 19 least a memorandum of understanding and that all the
 20 Examiners need do is address the issue of the permit
 21 itself.
 22 So I think that's all the questions I
 23 have. Ms. Mendoza, you --
 24 MS. MENDOZA: Judge Johnson -- I'm sorry.
 25 JUDGE JOHNSON: Go ahead.

1 MS. MENDOZA: Yeah, sorry. Can I
 2 interrupt real quick? Most operational issues that
 3 you -- all operational issues that you identified Staff
 4 does foresee entering into an agreement with New Mexico
 5 except for the allocation of production issue which is
 6 something that we believe that the ALJ -- sorry -- the
 7 Commissioners -- we would like to seek guidance from the
 8 Commissioners on that, as we believe that's more of a
 9 policy decision and not a procedural decision which
 10 would be Staff's domain, the procedural aspect of that.

11 JUDGE JOHNSON: Okay. Well, at this point
 12 if the -- I'm looking at the chart that is in Exhibit 8
 13 for the Applicant. The indications are that the state
 14 of New Mexico is willing to allocate on an acreage basis
 15 that would seem to be the advantage of the people of the
 16 state of Texas and presumably the royalty owners in the
 17 state of Texas.

18 So, I mean, to the extent that the
 19 Examiners would like the -- I'm sorry. The
 20 Commissioners would like the Examiners to talk about
 21 their potential policy options. You know, that would
 22 seem to be -- at least on this application that would
 23 seem to be favorable to the state.

24 But we can certainly include that in an
 25 Examiners' Report that -- and they can then -- they then

1 can take that up in a vote if that's the -- if that --
 2 that sounds like to me the appropriate allocation of job
 3 responsibilities between the Examiners and the
 4 Commissioners --

5 (Laughter)

6 MR. NEALE: Yeah.

7 JUDGE JOHNSON: -- unless I'm missing
 8 something.

9 MS. MENDOZA: I think that sounds
 10 appropriate to Staff.

11 JUDGE JOHNSON: Very good. Well, in that
 12 case -- I mean, Mr. Neale. I guess that leaves then the
 13 process between Titus and Oxy to potentially beat the
 14 Examiners to an Examiners' Report on the good faith
 15 claim issue.

16 MR. NEALE: Yes, sir. That's my
 17 understanding as well.

18 JUDGE JOHNSON: Would the Applicant like
 19 the Examiners to hold the record open for any particular
 20 period of time before filing an Examiners' Report?

21 MR. NEALE: So let's maybe ask Mr. Jones
 22 that question. Of course, he's heard the discussion on
 23 the record today. And so do you have any opinion about
 24 the possibility of developing some sort of memorandum of
 25 understanding between Titus and Oxy in the event that

1 this permit is approved as you mentioned sort of a
 2 condition to the drilling permit entered into by the
 3 parties, not by the Railroad Commission?

4 MR. JONES: Yes. I do believe that's
 5 something we could get in place. I obviously can't
 6 speak for Oxy in that regard.

7 I do think with a little bit more color
 8 that we've gained here and just kind of hearing I think
 9 that would be helpful as far as keeping this moving
 10 forward.

11 If we could have -- I don't know what the
 12 typical timeline is for how long it takes you to have
 13 that -- the case -- how long it is usually kept open,
 14 but, I mean, anywhere from 60 to 90 days I feel like we
 15 should be able to get something in place with Oxy in
 16 that time.

17 JUDGE JOHNSON: When was the application
 18 sent to the Hearings Division?

19 MR. NEALE: So if you look at our Exhibit
 20 No. 4, I believe it was March 5.

21 JUDGE JOHNSON: Okay. So this hasn't been
 22 with us very long.

23 MR. NEALE: Actually this letter was filed
 24 in CASES on March 8th.

25 JUDGE JOHNSON: Well, unless there are any

1 strong objections from anyone here I am not adverse to
 2 holding the record open in this matter for 90 days. Of
 3 course, if something were to occur prior to that time I
 4 would hope that the Applicant would let us know well in
 5 advance of 90 days if that happened.

6 MR. JONES: Yes, sir.

7 MR. NEALE: We would definitely do that.
 8 Yes, sir.

9 JUDGE JOHNSON: And let me stress that I'm
 10 in no way telling the Applicant what constitutes a good
 11 faith claim.

12 The rule promulgated by the Commission
 13 establishes what a good faith claim is, and so however
 14 the parties want to work that out I am making no
 15 pre-sentiments or pre-statements about what that looks
 16 like.

17 MR. JONES: Understood. Thank you.

18 JUDGE JOHNSON: All right. Well, hearing
 19 no objection I am going to go ahead and hold the record
 20 in this matter open for 90 days, and then we can -- we
 21 will reach out to the Applicant when they give us some
 22 indication of the status of this matter.

23 If we could, I would appreciate it if we
 24 in the next week or so do get a posthearing conference
 25 set sometime within that 90-day time frame. And I'm

1 sorry. That probably didn't come out as clearly as I
 2 intended it to mean.
 3 Mr. Neale, if you could consult with
 4 Docket Services. That may be too far out for them, but
 5 start working on giving us a placeholder. Of course, if
 6 we don't need the prehearing conference we can simply
 7 cancel it.
 8 But that way it gives us all a reminder
 9 not to let this sit without somebody circling back
 10 around and checking on it.
 11 MR. NEALE: Yes, sir.
 12 JUDGE JOHNSON: All right. I'm going to
 13 assess the cost of today's transcript to the Applicant.
 14 Is there anything we need to -- anything further we need
 15 to take up at this time?
 16 MR. NEALE: I guess the only thing is, is
 17 if a document ensues from the discussion with Oxy and
 18 Titus we would like to mark that and submit that as
 19 Exhibit 14.
 20 JUDGE JOHNSON: Well, since the record
 21 will be open we won't even have to call it late-filed.
 22 So, yes, that will be fine. You can submit that as
 23 Exhibit 14.
 24 (Exhibit Applicant No. 14 to be submitted
 25 if warranted)

1 CERTIFICATE
 2
 3 STATE OF TEXAS)
 4 COUNTY OF TRAVIS)
 5
 6 I, William C. Beardmore, Certified Shorthand
 7 Reporter in and for the State of Texas, do hereby
 8 Certify that the above-mentioned matter occurred as
 9 hereinbefore set out.
 10 I FURTHER CERTIFY THAT the proceedings of such
 11 were reported by me or under my supervision, later
 12 reduced to typewritten form under my supervision and
 13 control and that the foregoing pages are a full, true,
 14 and correct transcription of the original notes.
 15 IN WITNESS WHEREOF, I have hereunto set my
 16 hand and seal this 18th day of April 2021.
 17
 18
 19 WILLIAM C. BEARDMORE
 20 Certified Shorthand Reporter
 21 CSR No. 918 - Expires 4/30/21
 22
 23 Dave Howard and Associates
 24 Firm No. 440
 25 10917 Shady Hollow Drive
 Austin, Texas 78748
 512.282.0313

1 MR. NEALE: Yeah, I think that's all we
 2 had. Thank you, sir.
 3 JUDGE JOHNSON: All right. Ms. Mendoza,
 4 you had mentioned maybe making a final statement, but
 5 have we kind of covered everything that Staff wanted to
 6 discuss today?
 7 MS. MENDOZA: Yes, sir. You've hit
 8 everything that we were concerned about. So, thank you.
 9 JUDGE JOHNSON: All right. Very good.
 10 Well, again -- I believe I said this already, but just
 11 in case, the -- I'm assessing the cost of the transcript
 12 to the Applicant, and if there's nothing further for us
 13 to take up at this time, I note that it is 2:30 p.m. on
 14 April 13, 2021, and subject to the record remaining
 15 opening we will close the transcript for today and go
 16 off the record.
 17 Thank you.
 18 (Proceedings concluded at 2:30 p.m.)
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| require 11:24 | salient 36:13 | showed 13:8 32:14 | 11:18 13:23 23:22 | surface 8:15,16 |
| 17:22 30:23 | save 10:2 | showing 12:11 20:9 | 24:2 35:10 37:3 | 12:12 13:8,22 |
| required 18:7,8 | saying 24:17 31:8 | shows 15:17,25 | 38:10 42:5 | 14:24 15:1,8,11 |
| requires 32:19 | says 19:15 29:1 | 16:3 | Staff's 9:15 37:10 | 15:13,25 18:16,21 |
| research 34:1,2,4,4 | schedules 7:22 | shut 29:6 | standard 32:12 | 19:17 20:12 21:4 |
| 35:14 | schematic 5:5 | side 7:6 8:19 17:22 | start 6:22 11:5 41:5 | 25:2,4 31:24 |
| reserves 20:25 | 12:11 | 18:3 25:19 26:20 | started 20:17,19 | 32:14,19,19 33:1 |
| 31:20 | screen 10:23 | 31:17 | 21:6 | 33:14 35:2 |
| reservoir 35:15 | seal 43:16 | sides 14:9 18:25 | state 2:23 8:20 | surrounding 36:12 |
| Resources 19:6 | second 6:11 31:17 | 26:4 | 10:12 11:23 12:15 | surveyor 18:14 |
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| <p>suspect 10:1 34:6 sworn 8:5,6 10:9 system 15:11,15 36:8</p> <hr/> <p style="text-align: center;">T</p> <p>T 43:1,1 table 4:1 18:13 take 24:15,19 32:7 34:17 38:1 41:15 42:13 take-point 17:25 25:11 taken 34:19 takes 39:12 talk 25:7 31:24 34:25 37:20 talked 35:9 talks 18:12 19:12 tap 31:20 tax 29:11 taxes 35:10 TD 22:12 Technical 2:14 6:7 tell 8:25 29:13,16 29:23 telling 40:10 template 33:11 terminus 8:21 15:14 terms 33:19 testified 10:9 testimony 8:1,14 16:13 23:3 31:18 Texas 1:1 2:2,8,23 2:25 3:5,10 6:18 7:11 8:19,21 9:24 12:4,15,20 13:9 13:23 14:13,16 15:3,15 16:2,7,9 17:21 19:14,16,19 25:4 26:17 27:15 28:5,23 29:24 30:1,4 32:3,20 35:3,12,17 36:11 37:16,17 43:3,7 43:22 thank 6:24 7:7,8,15 8:1,6 9:4,25 10:5</p> | <p>23:18 24:10,13 34:12 35:24 40:17 42:2,8,17 they'd 24:3 thing 10:2 13:20 29:1,19 35:8 41:16 think 8:23,25 10:20 11:19 29:19,23 30:10,10 31:17 32:22 33:7,10,12 34:7,9 35:1 36:22 38:9 39:7,8 42:1 thinking 34:13 36:1 third 11:20 thorny 28:13 thought 7:5 thoughts 34:21 three 7:20 time 14:7,16 23:5 24:3 31:10 36:5 38:20 39:16 40:3 40:25 41:15 42:13 timeline 39:12 Tindol 7:24 titled 16:6 Titus 2:5 3:3 5:3 6:15,22 7:24 8:12 10:7,16 12:4,7 13:5 18:10,15 19:12 23:20,21 26:18 27:14,24 28:2 30:17 38:13 38:25 41:18 Titus's 27:19 today 6:7,19 7:16 8:1 17:10 36:2 38:23 42:6,15 today's 8:2 41:13 top 28:10 total 16:3 Totals 16:6 tract 16:7,7,9,10,17 17:8 24:18,19 27:15 28:5 29:17 29:25 32:1 tracts 24:20 32:17 transcript 41:13</p> | <p>42:11,15 transcription 43:14 TRAVIS 43:4 treatable 25:21 treating 24:23 triangle 16:15 triangular 28:5 true 43:13 try 31:1 trying 25:12 32:11 TUESDAY 1:10 turn 8:8 10:3 two 15:12 21:17 23:23 28:12 tying 28:22 type 28:1 typewritten 43:12 typical 39:12 typically 32:15,19 33:6</p> <hr/> <p style="text-align: center;">U</p> <p>UFT 17:23 understand 19:11 19:21 26:14 30:23 understanding 9:10,20 18:19 24:23 26:2,7 30:21 31:2 36:19 38:17,25 Understood 40:17 undertaken 33:5 undeveloped 20:22 undivided 27:15 uneconomic 17:5 unfamiliar 34:1 unit 2:6 6:16 16:4 19:17 units 17:17 unrecovered 31:21 unusual 17:2 unusually-shaped 16:10 useful 34:5 useless 29:1 usually 39:13</p> <hr/> <p style="text-align: center;">V</p> <p>variance 25:22 versus 31:25</p> | <p>viability 27:7 Vice 7:1 vote 38:1 VP 23:20</p> <hr/> <p style="text-align: center;">W</p> <p>W-1 5:6,8 13:5,11 13:12,13 14:17,19 14:21 15:7,24 W-2 5:17,18 22:19 wait 30:7 waiting 27:9 walk 36:3 Walt 8:4 Walter 6:25 23:19 want 8:24 11:21 16:23 17:16 31:5 40:14 wanted 42:5 wanting 33:8,24 warranted 5:20 41:25 waste 23:7 31:20 wasted 21:3 water 22:16,25 23:1 way 11:22 15:18 17:19 18:18 19:21 24:21 25:10 26:5 29:16 33:24 40:10 41:8 WC-025 19:10 we'll 32:6 we're 6:13 11:2,15 13:12 16:13 18:22 24:17 28:11 30:10 30:25 32:23 we've 15:21 22:8 27:2 28:8 32:9 39:8 week 40:24 well's 22:15 well-type 24:17 36:3 wellbore 16:24 26:21 31:25 wellbores 32:2 wells 12:19,24 16:22 17:1 20:20</p> | <p>21:17 28:11 32:17 33:4,12 WHEREOF 43:15 William 1:25 2:21 43:6,18 willing 31:1 37:14 wishes 13:25 witness 10:6 43:15 witnesses 8:5 24:11 Wolfcamp 2:8 5:10 6:18 11:13 12:14 12:21 15:6 17:15 19:10 21:25 22:12 22:13,21 wondering 32:1 work 7:20 9:20 34:8 40:14 working 19:13,14 19:21 41:5 works 31:13 wouldn't 17:6 wrestle 29:15</p> <hr/> <p style="text-align: center;">X</p> <hr/> <p style="text-align: center;">Y</p> <p>Yeah 25:17 26:19 33:7 37:1 38:6 42:1</p> <hr/> <p style="text-align: center;">Z</p> <p>zero 17:24 Zoom 2:24 20:2</p> <hr/> <p style="text-align: center;">0</p> <p>08 2:8 6:18</p> <hr/> <p style="text-align: center;">1</p> <p>1 5:4,16 11:10 21:21 23:11,14 1-13 6:4 23:15 1,078 22:15,17 1:32 2:20 6:3,5 10 4:6,7 5:14 11:17 20:5,8,11 34:2 100 26:20 100-foot 11:23 25:6 25:20 31:21 10917 43:21 10s 33:16</p> |
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| 1155 23:1 | 18:6 25:6 27:20 | 800622 2:6 | | |
| 12 5:17 22:9 | 31:19 | 8th 39:24 | | |
| 12,623 22:12 | 374 22:24,25 | | | |
| 12,800 22:24 | 38 17:22 | <u>9</u> | | |
| 13 1:10 4:3 5:18 6:2 | 3837 18:2 | 9 4:5 5:13 19:3,4 | | |
| 6:6 8:22 10:20 | | 90 39:14 40:2,5,20 | | |
| 22:19 23:11,14 | <u>4</u> | 90-day 40:25 | | |
| 42:14 | 4 5:7 13:16,17 | 912 13:10 | | |
| 13th 2:21 | 39:20 | 918 43:19 | | |
| 14 5:20 41:19,23,24 | 4/30/21 43:19 | | | |
| 14,557 21:24 | 404 12:16 | | | |
| 14913 21:24 | 404H 2:8 5:9 6:17 | | | |
| 15 21:8 | 11:13 12:22 15:18 | | | |
| 1601 3:5 | 41 5:20 | | | |
| 1701 3:10 | 42 4:8 | | | |
| 18th 43:16 | 43 4:9 | | | |
| 1H 5:17 22:11 | 440 43:21 | | | |
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| <u>2</u> | 17:21 | | | |
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| 2:30 42:13,18 | <u>5</u> | | | |
| 20 17:20 | 5 5:8 14:18,19 | | | |
| 20,000 22:4 | 19:15 39:20 | | | |
| 200 25:20 | 512.282.0313 43:22 | | | |
| 2016 21:23 | 512.463.3176 3:11 | | | |
| 2017 22:22 | 512.477.1907 3:6 | | | |
| 2021 1:10 2:21 4:3 | 512.477.1976 3:6 | | | |
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| 22nd 13:7 | 6 4:3 5:4,5,6,7,8,9,9 | | | |
| 23 5:4,5,6,7,8,9,11 | 5:11,12,13,14,16 | | | |
| 5:12,13,14,16,17 | 5:17,19 15:21,22 | | | |
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| 19:23 | 78633 2:25 | | | |
| 3/5/2021 5:7 | 78711-2967 3:10 | | | |
| 32 26:11 | 78748 43:22 | | | |
| 320 17:19 | 78767-1945 3:5 | | | |
| 320-acre 17:17 | | | | |
| 330 17:24 | <u>8</u> | | | |
| 335 3:5 | 8 4:4 5:12 18:11,13 | | | |

TAB 3

**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. 21794

AFFIDAVIT OF GEOLOGIST ALLEN FRIERSON

I, being duly sworn on oath, state the following:

1. This affidavit and the attached exhibits are submitted in connection with the filing of the above-referenced application, pursuant to 19.15.4 NMAC and the public health emergency protocols implemented by the Division for virtual hearings.

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

3. 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 a master of business administration degree 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.

4. **Exhibit B-1** is a geological summary for the proposed horizontal spacing unit (“HSU”) and related well, the El Campeon Fed Com 404H (“El Campeon 404H”).

5. **Exhibit B-2** is a locator map with the cross-section indicated.

6. **Exhibit B-3** includes the spacing unit schematic for the above-referenced application, which illustrates the location of the HSU outlined by a red-hashed polygon; the approximate location of the proposed well; and the wells in the two-well cross-section referenced in the stratigraphic cross-section exhibit (Exhibit B-6).

7. **Exhibit B-4** is a Wolfcamp structure map. The red-hashed polygon indicates the proposed HSU. The contour intervals of the structure map 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 this targeted interval with a horizontal well.

8. **Exhibit B-5** is a Wolfcamp A isopach map, which is formatted similarly to the structure map (Exhibit B-4). Contour intervals are 10' on this map. Exhibit B-5 indicates that this well is placed in a zone that is consistently greater than 300' thick for the entirety of the lateral. Exhibit B-5 further supports that there are no interpreted faults, pinch-outs, or other geologic impediments or hazards to developing this targeted interval with a horizontal well.

9. **Exhibit B-6** is a stratigraphic cross-section portraying triple-combo logs. Track 1 is the gamma ray log, which is scaled from 0 to 150 api units. Track 2 consists of 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 was used to determine "pay" and select the landing zone for the well. The cross-section identifies the key tops used to evaluate the reservoir and landing target for the proposed well. A simplified wellbore is on the cross-section showing the landing target interval in the Northwest to Southeast stratigraphic cross-section.

10. **Exhibit B-7** contains a gunbarrel diagram. This shows the approximate landing zone in reference to the type logs for the area, and the associated spacing of the wellbore within the HSU.

11. The measured depth is approximately 21,460' and the true vertical depth is approximately 12,581' for the well.

12. The true vertical depth of the target formation is approximately 12,645' (Top of Wolfcamp A Shale) to approximately 12,962' (Base of Wolfcamp A Shale) based on the Beckham 19 1 (API: 30025370) type log. The target formation is the same on both sides of the state line.

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

- a. The horizontal spacing and proration unit is 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 unit, including lands in New Mexico and in Texas, 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.

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

15. The granting of this Application is in the interests of conservation, the protection of correlative rights, and the prevention of waste.

16. 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 15th day of June, 2021.




Notary Public

My Commission expires 11-15-2022.

Summary

Stateline Crossing— Lea County, New Mexico

Titus Oil & Gas Production, LLC (“Titus”) seeks an order from the Division approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The HSU will be dedicated to the **El Campeon Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 558’ FSL and 590’ FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10’ FSL and 1912’ FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]). Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The well and lands are located approximately 14 miles southwest of Jal, New Mexico. The **El Campeon Fed Com 404H** will target the Wolfcamp A Shale at an approximate True Vertical Depth of 12,581’.

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
NMOCD NO. 21872
JUNE 17, 2021

Locator Map

With Cross-Section



Pooling outline



Cross-Section line

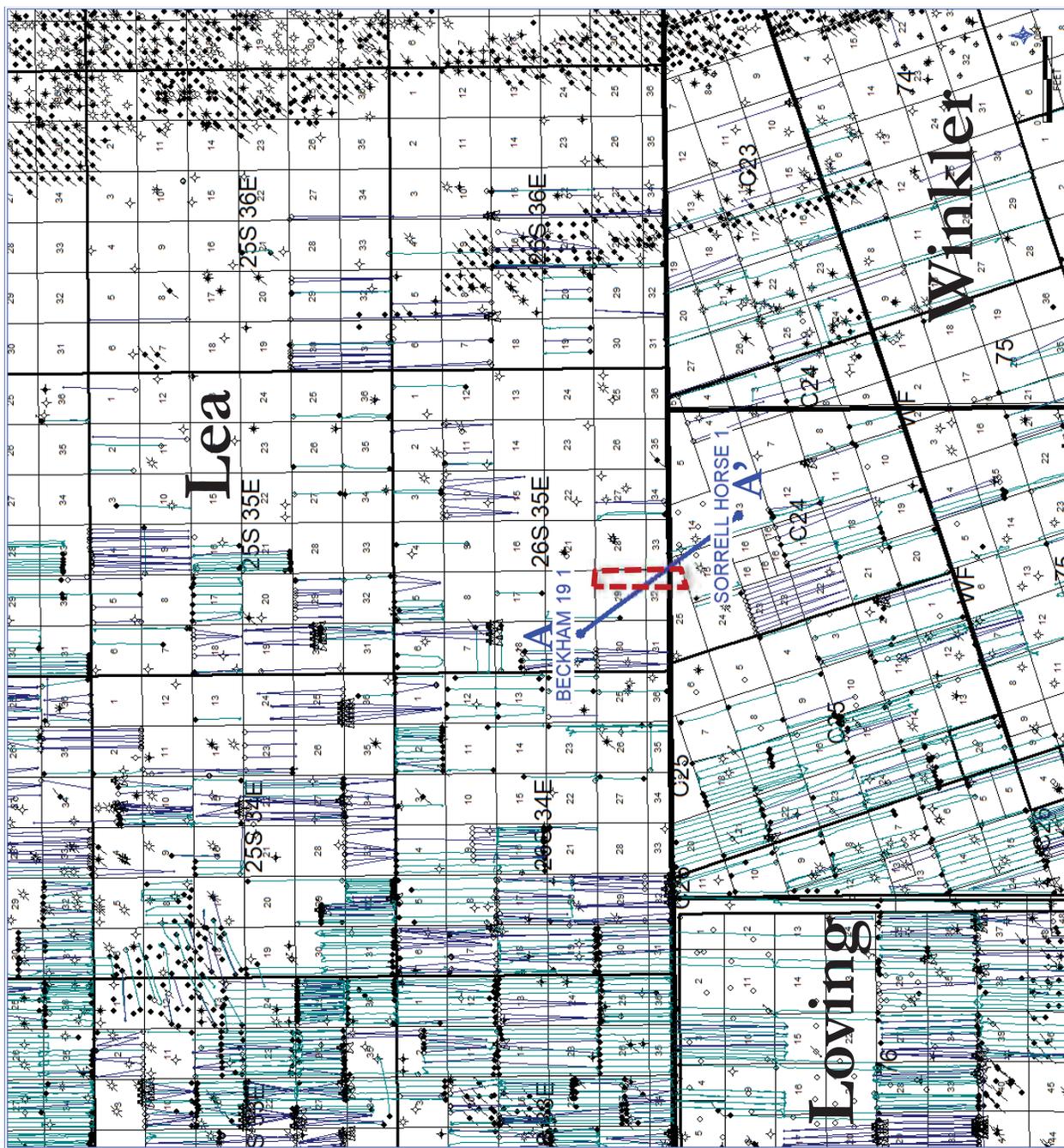
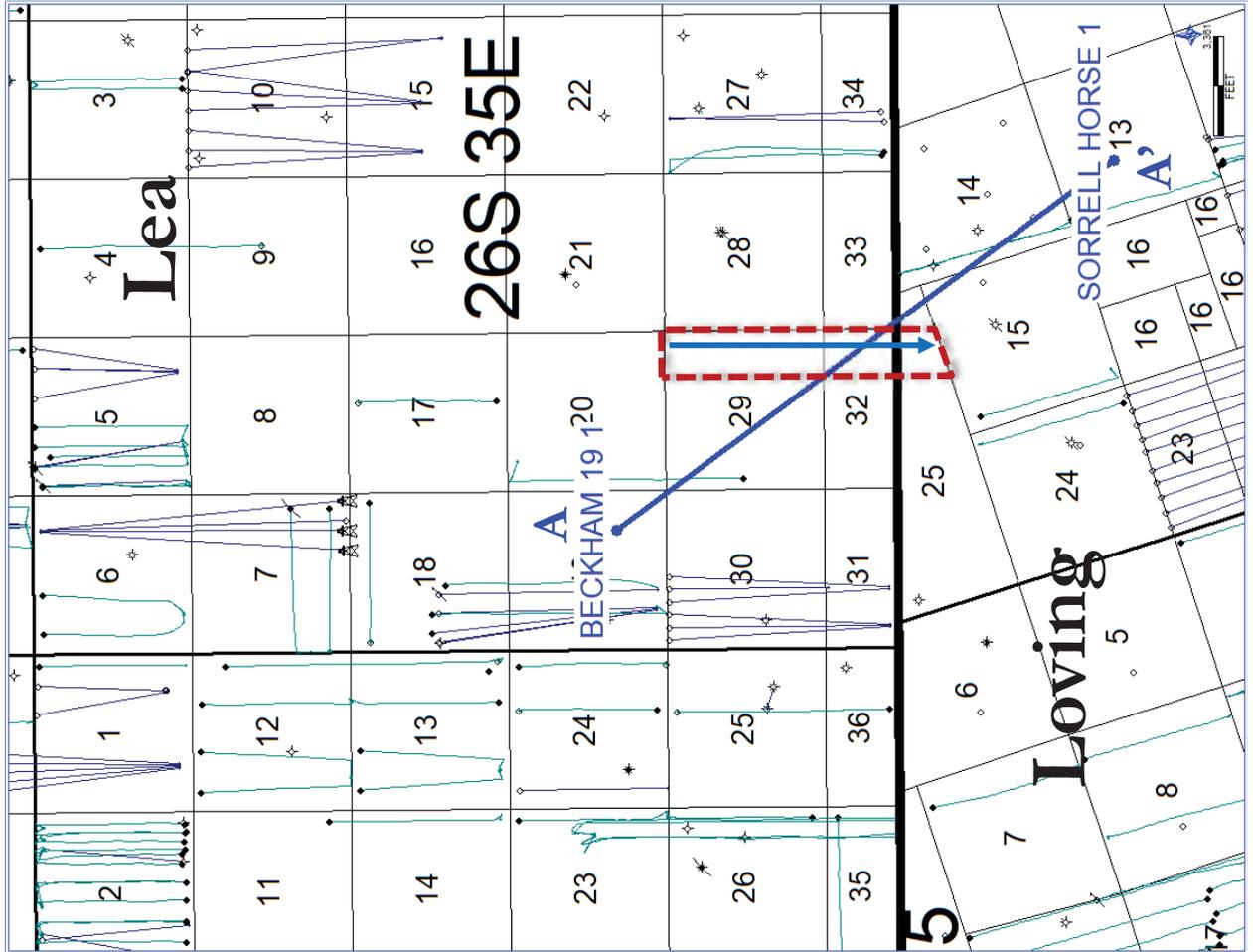


EXHIBIT B-2
 TITUS OIL & GAS
 PRODUCTION LLC
 NMOCD NO. 21872
 JUNE 17, 2021

Spacing Unit Schematic

With Approximate Well Location

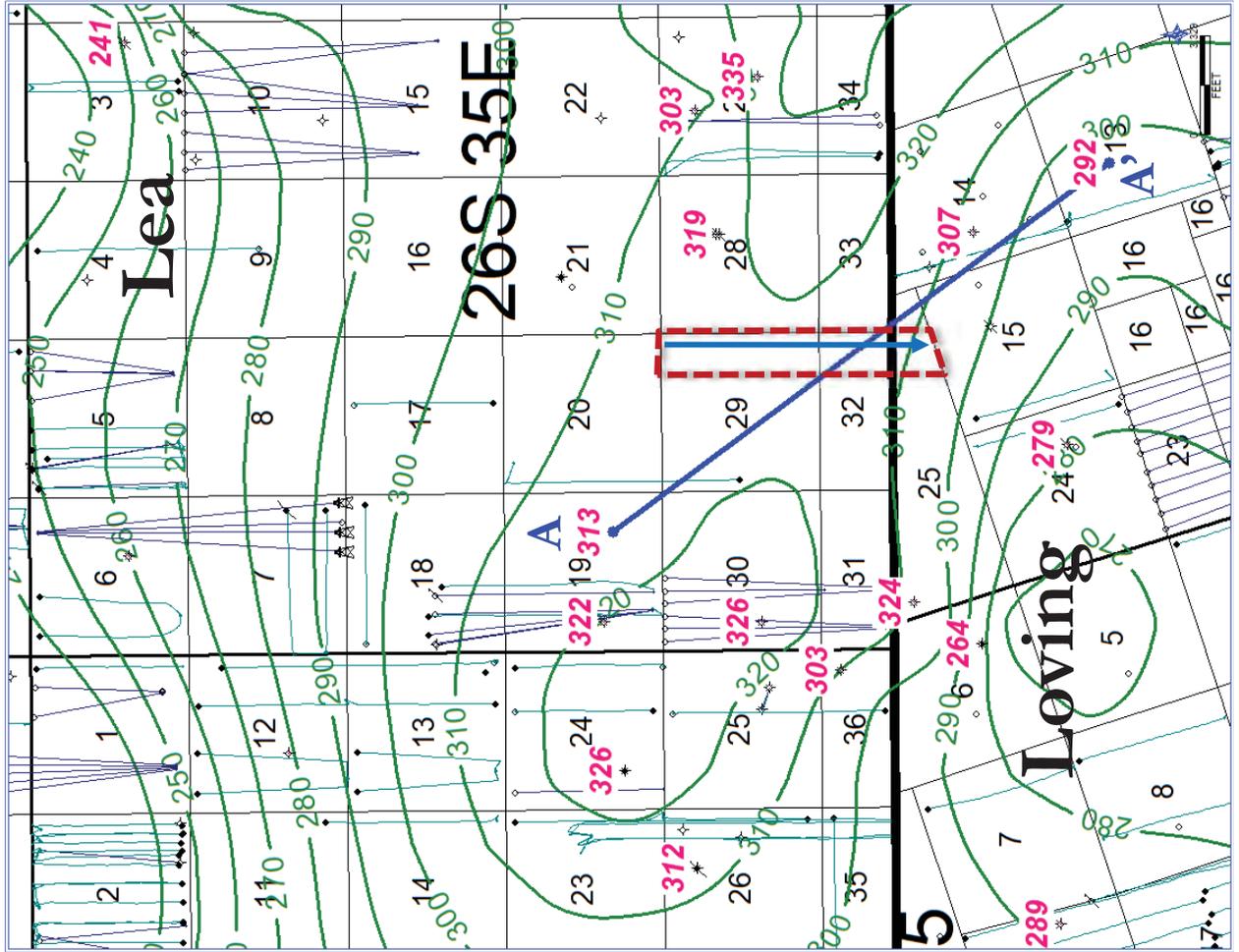


-  Pooling outline
-  Cross-Section line
-  El Campeon Fed Com 404H Wellbore

EXHIBIT B-3
 TITUS OIL & GAS PRODUCTION LLC
 NMOCD NO. 21872
 JUNE 17, 2021

Wolfcamp A Isopach Map

Contour Interval: 10 ft.



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

EXHIBIT B-5
 TITUS OIL & GAS PRODUCTION LLC
 NMOCD NO. 21872
 JUNE 17, 2021

HSU Cross-Section

Petrophysical Logs Support Wolfcamp A Shale Target / Landing Zone

T26S R35E S19
3002537080000
BECKHAM 19 1

BC24 S13
42301303570000
SORRELL HORSE 1

A

A'

3BSSS [ANF]

WFMP [ANF]

WFMP_100 [ANF]

WFMP_200 [ANF]

Formation Top Key:
 3BSSS – 3rd Bone Spring Sandstone
 WFMP – Wolfcamp
 WFMP_100 – Wolfcamp A
 WFMP_200 – Wolfcamp B

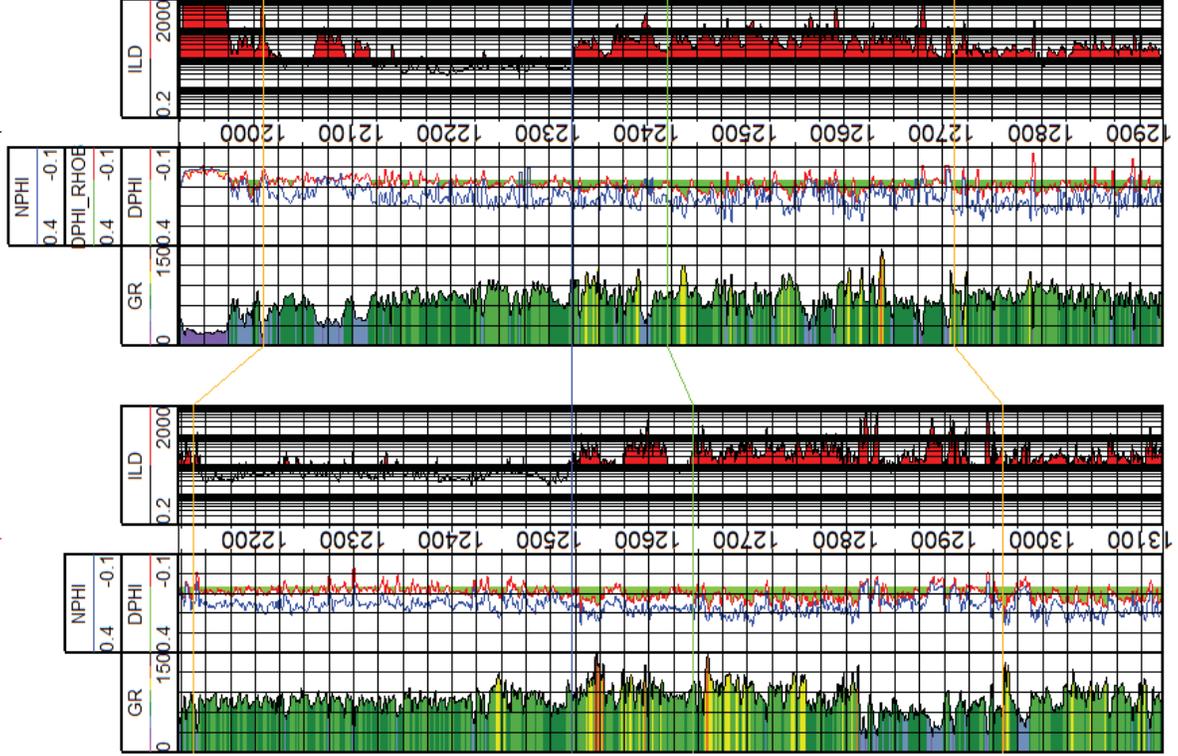


EXHIBIT B-6
 TITUS OIL & GAS PRODUCTION
 LLC
 NMOCD NO. 21872
 JUNE 17, 2021

El Campeon
 Fed Com 404H
 Target
 (Wolfcamp A)

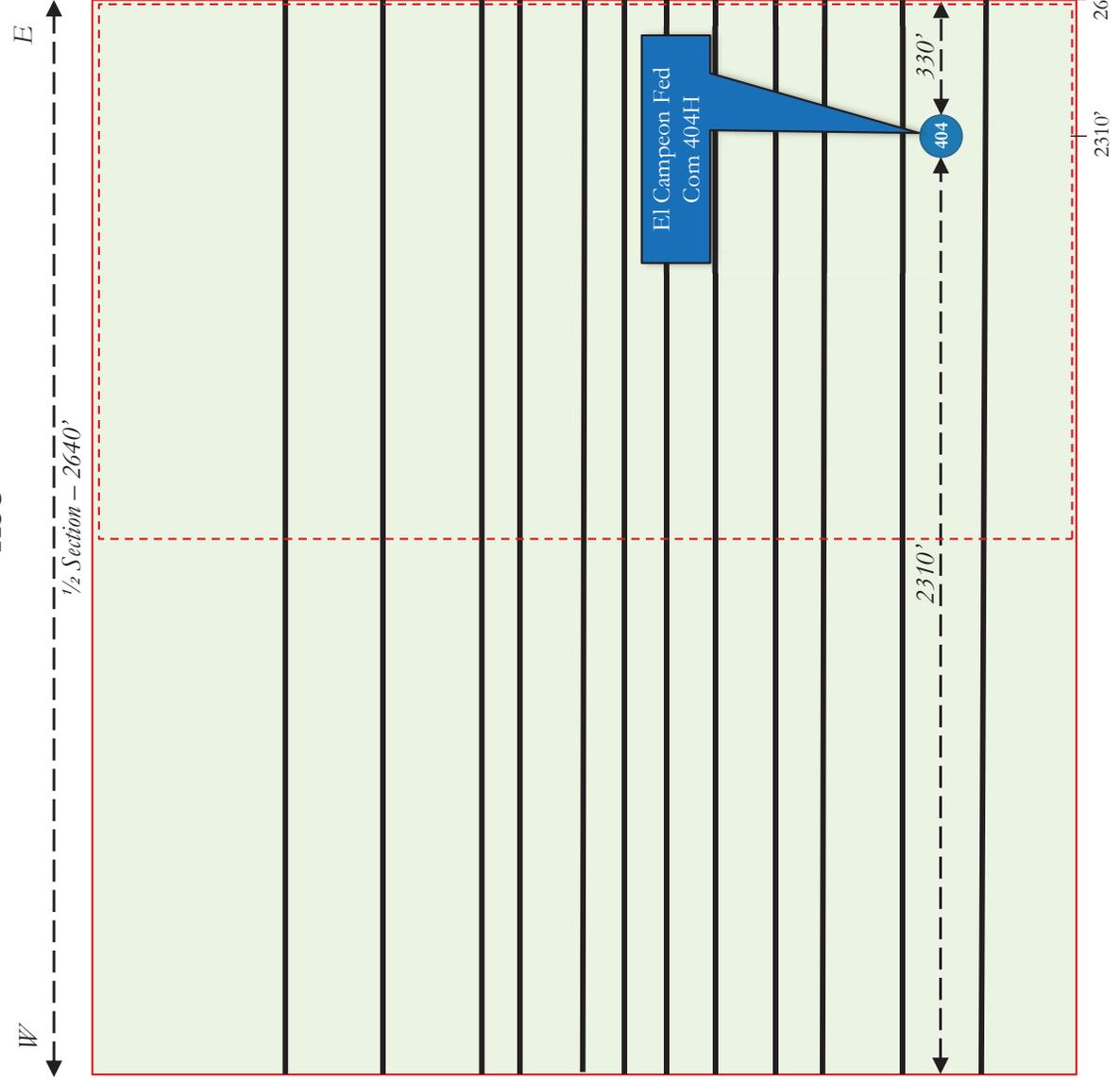
Titus' El Campeon Horizontal Spacing Unit Gunbarrel

El Campeon Fed Com 404H – Wolfcamp A Targets

El Campeon
HSU

Beckham 19 1
Sec. 19 – 26S – 35E

EXHIBIT B-7
TITUS OIL & GAS
PRODUCTION LLC
NMOCD NO. 21872
JUNE 17, 2021



LOWER BRUSHY

LEONARD A

LEONARD B

LEONARD C

1ST BONE SPRING SAND

2ND BONE SPRING SHALE

2ND BONE SPRING LIME

2ND BONE SPRING SAND

3RD BONE SPRING LIME

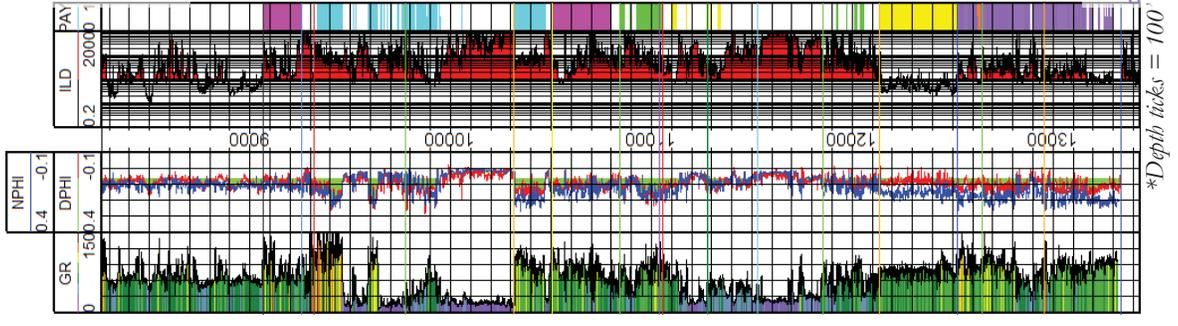
3RD BONE SPRING SHALE

3RD BONE SPRING SAND

WOLFCAMP XY

WOLFCAMP A

WOLFCAMP B



TAB 4

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

**APPLICATION OF TITUS OIL & GAS PRODUCTION, LLC
FOR APPROVAL OF PRODUCTION ALLOCATION,
LEA COUNTY, NEW MEXICO**

Case No. 21872

AFFIDAVIT OF ENGINEER MARSHALL HICKEY

I, being duly sworn on oath, state the following:

1. I am an engineer employed as Chief Executive Officer with Titus Oil & Gas Production, LLC (“Titus”), and I am familiar with the subject application and the lands involved.

2. This affidavit and the referenced exhibit(s) are submitted in connection with the filing of the above-referenced application, pursuant to 19.15.4 NMAC and the public health emergency protocols implemented by the Division for virtual hearings.

3. I have not previously testified before the New Mexico Oil Conservation Division as an expert witness. My credentials are as follows: I graduated from the University of Texas in 2011 with a Bachelor of Science in petroleum engineering with honors. From 2011 to 2016, I worked in the oil and gas industry as a petroleum engineer with Marathon Oil Company, specifically serving as reservoir engineer in Wyoming and completions engineer in Texas. From 2016 to 2017, I worked for EnCap Investments, L.P. as a petroleum engineer focused on project economics and reservoir engineering. Since 2017, I have founded and served as chief executive officer of Titus, a Delaware Basin operator, and handled all reservoir engineering duties until late 2020 when we staffed a full-time reservoir engineer. As the chief executive officer of Titus, I have managed the drilling and completion of approximately twenty (20) horizontal wells and an ongoing two rig drilling program.

Exhibit C
Titus Oil & Gas Production LLC
NMOCD NO. 21872
JUNE 17, 2021

4. The stress in the rock in this area of the Delaware Basin is such that the orientation of the wells should be north/south. It is not economic to drill short north/south laterals in the eastern portion of irregular shaped Section 25 in Loving County, Texas. This portion of Section 25 is best developed by drilling a lateral from a surface location in New Mexico.

5. Previous development in Texas occurred south to north, but stopped short of Section 25. *See Exhibit A-7 at pdf pages 23-37.* If this portion of Section 25 in Loving County is not developed as proposed in this application, it may not be developed; it would be an undeveloped island. Underlying hydrocarbons will not be developed; rather, such hydrocarbons will be wasted.

6. The proposed development across the state line will result in more recoverable hydrocarbons in New Mexico.

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

8. The granting of this Application is in the interests of conservation, the protection of correlative rights, and the prevention of waste.

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

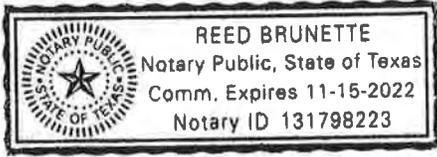
FURTHER AFFIANT SAYETH NAUGHT

Marshall Hickey

Marshall Hickey

STATE OF TEXAS)
)ss
COUNTY OF TARRANT)

Subscribed to and sworn before me this 15th day of June, 2021.



RLB

Notary Public

My Commission expires 11-15-2022.

TAB 5



9590 9402 1258 5246 3421 29

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

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/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

PLEASE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE
CERTIFIED MAIL



7015 1730 0000 9774 4759
7015 1730 0000 9774 4759

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

For delivery information, visit our website at www.usps.com

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 \$

SANTA FE NM
APR 16 2021
Postmark Here
USPO 87504

Postage

\$

Total

\$

Sent

Street

City, State

Occidental Petroleum
5 Greenway Plaza, Suite 110
Houston, TX 77046

PS Form 3811, July 2015 PSN 7530-02-000-9053

EXHIBIT A
to Affidavit of Notice

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:

Occidental Petroleum
5 Greenway Plaza, Suite 110
Houston, TX 77046



9590 9402 1258 5246 3421 29

7015 1730 0000 9774 4759

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X CW19

Agent

Addressee

B. Received by (Printed Name)

CH

C. Date of Delivery

4/20/21

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

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- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Registered Mail
- Registered Mail Restricted Delivery (over \$500)

- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery



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Postage & Fees Paid
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United States
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P.O. Box 2307
Santa Fe, New Mexico 87504-2307

Titus/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE
CERTIFIED MAIL



7015 1730 0000 9774 4872
7015 1730 0000 9774 4872

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

For delivery information, visit our website at www.usps.com™.

| | |
|--------------------------------------------------------------|----|
| Certified Mail Fee | \$ |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |

SANTA FE NM
Postmark
APR 16 2021
USPO 87504

Postage
\$
Total
\$
Sent
Newkumet, Ltd.
PO Box 11330
Midland, Texas 79702

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

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:

Newkumet, Ltd.
PO Box 11330
Midland, Texas 79702



9590 9402 1258 5246 3420 06

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4872

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x *L. P. Maachi* Agent Addressee

B. Received by (Printed Name)

L. P. Maachi

C. Date of Delivery

4/21/21

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
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Restricted Delivery



9590 9402 1258 5246 3419 86



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

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/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

PLEASE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. VOID A DOTTED LINE
CERTIFIED MAIL



7015 1730 0000 9774 4896
7015 1730 0000 9774 4896

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

For delivery information, visit our website at www.usps.com®.

| | |
|--------------------------------------------------------------|----|
| Certified Mail Fee | \$ |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |
| Postage | \$ |
| Total Pct | \$ |

SANTA FE NM
APR 16 2021
Postmark Here
USPS 87504

Sent To: Sammy L. Morrison, Trustee of
Sammy & Sibyl Morrison Mineral Trust
4617 Breezeway Ct.
Midland, Texas 79707

Street a: _____
City, Sta: _____
PS Form 3811, July 2015 PSN 7530-02-000-9053

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:

Sammy L. Morrison, Trustee of
Sammy & Sibyl Morrison Mineral Trust
4617 Breezeway Ct.
Midland, Texas 79707



9590 9402 1258 5246 3419 86

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4896

COMPLETE THIS SECTION ON DELIVERY

A. Signature: Sammy Morrison Agent Addressee

B. Received by (Printed Name): Sammy Morrison C. Date of Delivery: _____

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

| | |
|------------------------------------------------------------------|---------------------------------------------------------------------|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input checked="" type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |

USPS TRACKING#



9590 9402 1258 5246 3420 75

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

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/El Campeon Fed Com
404H (21872) – Notice
Letter – 15412-2101/STS

PLACE STICKER TOP OF ENVELOPE TO VERIFY
OF THE RETURN ADDRESS IS NOT POSTED ON
CERTIFIED MAIL



7015 1730 0000 9774 4797
7015 1730 0000 9774 4797

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

For delivery information, visit our website at www.usps.com

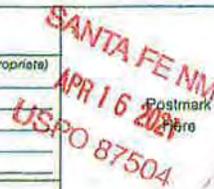
Certified Mail Fee

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 \$

Postage

\$ Total

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



PS Form 3811, July 2015 PSN 7530-02-000-9053

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:

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



9590 9402 1258 5246 3420 75

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4797

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Handwritten Signature]

- Agent
- Addressee

B. Received by (Printed Name)

[Handwritten Name]

C. Date of Delivery

[Handwritten Date]

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
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery



9590 9402 1258 5246 3420 20

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

United States
Postal Service

• Sender Please indicate your name, address, and ZIP+4® in this box.



MONTGOMERY
& ANDREWS
LAW FIRM

P.O. Box 2307
Santa Fe, New Mexico 87504-2307

Titus/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE
CERTIFIED MAIL®



7015 1730 0000 9774 4858
7015 1730 0000 9774 4858

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

For delivery information, visit our website at www.usps.com

| | |
|--------------------------------------------------------------|-----------------------------|
| Certified Mail Fee | |
| \$ | |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |
| Postage | |
| \$ | Oxy USA, Inc. |
| Total P _c | 5 Greenway Plaza, Suite 110 |
| \$ | Houston, Texas 77046 |
| Sent To | |
| Street & | |
| City, Sta | |

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SANTA FE NM
APR 16 2021
Postmark Here
USPO 87504

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:
Oxy USA, Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046



9590 9402 1258 5246 3420 20

2. Article Number (Transfer from service label)
7015 1730 0000 9774 4858

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *CVIA* Agent Addressee

B. Received by (Printed Name) *Aw Bonner* C. Date of Delivery *4-22-21*

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Priority Mail Express®
 - Registered Mail™
 - Registered Mail Restricted Delivery
 - Return Receipt for Merchandise
 - Signature Confirmation™
 - Signature Confirmation Restricted Delivery



9590 9402 1258 5246 3420 68

United States Postal Service

Send your business card, name, address and ZIP+4® in this box.



MONTGOMERY & ANDREWS LAW FIRM

P.O. Box 2307 Santa Fe, New Mexico 87504-2307

Titus/El Campeon Fed Com 404H (21872) - Notice Letter - 15412-2101/STS

First-Class Mail Postage & Fees Paid USPS Permit No. G-10



7015 1730 0000 9774 4810 7015 1730 0000 9774 4810

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

For delivery information, visit our website at www.usps.com

Certified Mail Fee, Extra Services & Fees (Return Receipt, Restricted Delivery, etc.)

SANTA FE NM Postmark APR 16 2021 Here USPO 87504

Postage, Total Price, Sent To (Devon Energy Production Company, LF, 333 W Sheridan Ave, Oklahoma City, OK 73102)

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: Devon Energy Production Company, LF, 333 W Sheridan Ave Oklahoma City, OK 73102



9590 9402 1258 5246 3420 68

2. Article Number (Transfer from service label) 7015 1730 0000 9774 4810

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature] B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below. Includes circular postmark: CENTER CITY OK APR 21 2021 73102 USPS

3. Service Type (Adult Signature, Certified Mail, Return Receipt, etc.)



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

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/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLLOW DOTTED LINE.
CERTIFIED MAIL



7015 1730 0000 9774 4827
7015 1730 0000 9774 4827

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT

Domestic Mail Only

For delivery information, visit our website at www.usps.com®

| | |
|--------------------------------------------------------------|----|
| Certified Mail Fee | \$ |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |

SANTA FE NM
APR 16 2021
Postmark Here
USPO 87504

Postage
\$ Total
\$ Sent
City: _____
City: _____

Chevron U.S.A., Inc.
6001 Bollinger Canyon Road
San Ramon, CA 94583

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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:

Chevron U.S.A., Inc.
6001 Bollinger Canyon Road
San Ramon, CA 94583



9590 9402 1258 5246 3420 51

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4827

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Bernard Davis* Agent
 Addressee

B. Received by (Printed Name)

Bernard Davis

C. Date of Delivery

4-20-21

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
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

USPS TRACKING #



9590 9402 1258 5246 3419 79

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

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/El Campeon Fed Com
404H (21872) – Notice
Letter – 15412-2101/STS



7015 1730 0000 9774 4902
7015 1730 0000 9774 4902

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

For delivery information, visit our website at www.usps.com™

Certified Mail Fee

- Return Receipt (hardcopy) \$
- Return Receipt (electronic) \$
- Certified Mail Restricted Delivery \$
- Adult Signature Required \$
- Adult Signature Restricted Delivery \$

SANTA FE NM
APR 16 2021
USPO 87504

Postage

Pegasus Resources, LLC
2821 West 7th Street, Suite 500
Fort Worth, Texas 76107

Instructions

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:

Pegasus Resources, LLC
2821 West 7th Street, Suite 500
Fort Worth, Texas 76107



9590 9402 1258 5246 3419 79

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4902

COMPLETE THIS SECTION ON DELIVERY

A. Signature

W. Thomas Agent
 Addressee

B. Received by (Printed Name)

Thomas

C. Date of Delivery

4/21/21

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
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

USPS TRACKING#



9590 9402 1258 5246 3420 82

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

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/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

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



7015 1730 0000 9774 4803
7015 1730 0000 9774 4803

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

For delivery information, visit our website at www.usps.com®.

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 \$ _____

Postage \$ _____

Total \$ _____

Sent to: NM Taxation & Revenue Dept.
1100 South St. Francis Drive
Santa Fe, NM 87504

Street _____

City _____

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SANTA FE NM
APR 16 2021
LISPO 87504
Postmark

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:
NM Taxation & Revenue Dept.
1100 South St. Francis Drive
Santa Fe, NM 87504



9590 9402 1258 5246 3420 82

2. Article Number (Transfer from service label)
7015 1730 0000 9774 4803

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 [Signature] 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

APR 23 2021
87505

3. Service Type
- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery



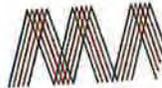
9590 9402 1258 5246 3420 13



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

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/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS



7015 1730 0000 9774 4865
7015 1730 0000 9774 4865

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

For delivery information, visit our website at www.usps.com®

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 \$

SANTA FE, NM
APR 16 2015
USPO 87504

Postage

Total \$
Franco-Nevada Texas, LP
1745 Shea Center Dr., Suite 400
Highland Ranch, CO 80129

Street
City, State

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

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:

Franco-Nevada Texas, LP
1745 Shea Center Dr., Suite 400
Highland Ranch, CO 80129



9590 9402 1258 5246 3420 13

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4865

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x *Rachelle Clemons*

Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

Rachelle Clemons

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

Priority Mail Express®
 Registered Mail™
 Registered Mail Restricted Delivery
 Return Receipt for Merchandise
 Signature Confirmation™
 Signature Confirmation Restricted Delivery

Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

USPS TRACKING #
9590 9402 1258 5246 3419 62

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

United States
Postal Service

• Sender Please print name and address
MONTGOMERY & ANDREWS
LAW FIRM
P.O. Box 2307
Santa Fe, New Mexico 87504-2307

Titus/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

7015 1730 0000 9774 4919
PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE
CERTIFIED MAIL



7015 1730 0000 9774 4919
7015 1730 0000 9774 4919

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only
For delivery information, visit our website at www.usps.com

| | |
|--------------------------------------------------------------|----|
| Certified Mail Fee | \$ |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |
| Postage | \$ |

To: McMullen Minerals, LLC
2821 West 7th Street, Suite 500
Fort Worth, Texas 76107

SANTA FE NM
APR 16 2021
USPO 87504

SEE REVERSE OF INSTRUCTIONS

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:
McMullen Minerals, LLC
2821 West 7th Street, Suite 500
Fort Worth, Texas 76107



9590 9402 1258 5246 3419 62

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4919

COMPLETE THIS SECTION ON DELIVERY

A. Signature
Thomas Agent Addressee

B. Received by (Printed Name) *Thomas* C. Date of Delivery *4/21/21*

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:

3. Service Type
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Insured Mail
 - Priority Mail Express®
 - Registered Mail™
 - Registered Mail Restricted Delivery
 - Return Receipt for Merchandise
 - Signature Confirmation™
 - Signature Confirmation Restricted Delivery

USPS TRACKING #



9590 9402 1258 5246 3420 99

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

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/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS POSTAGE PAID LINE
CERTIFIED MAIL



7015 1730 0000 9774 4780
7015 1730 0000 9774 4780

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

For delivery information, visit our website at www.usps.com

| | |
|--------------------------------------------------------------|----|
| Certified Mail Fee | \$ |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |

SANTA FE NM
APR 16 2021
Postmark Here
USPO 87504

Postage \$
Total \$ Bureau of Land Management
\$ 414 W. Taylor
Sen Hobbs, NM 88240-1157
\$
State
City

PS Form 3811, April 2015 PSN 7530-02-000-9053 See reverse for instructions

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
414 W. Taylor
Hobbs, NM 88240-1157



9590 9402 1258 5246 3420 99

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4780

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X BLM

- Agent
- Addressee

B. Received by (Printed Name)

LLR25C19

C. Date of Delivery

4/20/21

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

- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Restricted Delivery

Domestic Return Receipt

PS Form 3811, July 2015 PSN 7530-02-000-9053

USPS TRACKING#



9590 9402 1258 5246 3421 12

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

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/El Campeon Fed Com
404H (21872) – Notice
Letter – 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE.
CERTIFIED MAIL®



7015 1730 0000 9774 4766
7015 1730 0000 9774 4766

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

For delivery information, visit our website at www.usps.com®.

| | |
|--------------------------------------------------------------|----|
| Certified Mail Fee | |
| \$ | |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |

SANTA FE NM
Postmark Here
APR 15 2021
USPO 87504

| | |
|---------|--|
| Postage | |
| \$ | |
| Total | |

Texas Comptroller of Public Accounts
P.O. Box 13528, Capitol Station
Austin, TX 78711-3528

| | |
|----------------------------------------------|------------------------------|
| Sent | |
| Street | |
| City, State | |
| PS Form 3811, July 2015 PSN 7530-02-000-9053 | See Reverse for Instructions |

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:
Texas Comptroller of Public Accounts
P.O. Box 13528, Capitol Station
Austin, TX 78711-3528



9590 9402 1258 5246 3421 12

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4766

COMPLETE THIS SECTION ON DELIVERY

| | |
|----------------------------------------------------------------------------|------------------------------------|
| A. Signature | |
| X | <input type="checkbox"/> Agent |
| | <input type="checkbox"/> Addressee |
| B. Received by (Printed Name) | C. Date of Delivery |
| | |
| D. Is delivery address different from item 1? <input type="checkbox"/> Yes | |
| If YES, enter delivery address below: <input type="checkbox"/> No | |

| | |
|------------------------------------------------------------------|---------------------------------------------------------------------|
| 3. Service Type | |
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input checked="" type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail | |
| <input type="checkbox"/> Insured Mail Restricted Delivery | |

USPS Tracking®

[FAQs >](#)

[Track Another Package +](#)

Tracking Number: 70151730000097744766

[Remove X](#)

Your item has been delivered and is available at a PO Box at 9:11 am on April 26, 2021 in AUSTIN, TX 78711.

Delivered, PO Box

April 26, 2021 at 9:11 am
AUSTIN, TX 78711

Texas Comptroller of Public Accounts
P.O. Box 13528, Capitol Station
Austin, TX 78711-3528

[Feedback](#)

Get Updates 

Text & Email Updates 

Tracking History 

Product Information 

[See Less](#) 

Can't find what you're looking for?

Go to our [FAQs](#) section to find answers to your tracking questions.

USPS TRACKING#



9590 9402 1258 5246 3421 05

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

United States
Postal Service



MONTGOMERY
& ANDREWS
LAW FIRM

P.O. Box 2307
Santa Fe, New Mexico 87504-2307

Titus/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

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



7015 1730 0000 9774 4773
7015 1730 0000 9774 4773

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

For delivery information, visit our website at www.usps.com®.

| | |
|--------------------------------------------------------------|----|
| Certified Mail Fee | |
| \$ | |
| Extra Services & Fees (check box, add fee as appropriate) | |
| <input type="checkbox"/> Return Receipt (hardcopy) | \$ |
| <input type="checkbox"/> Return Receipt (electronic) | \$ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | \$ |
| <input type="checkbox"/> Adult Signature Required | \$ |
| <input type="checkbox"/> Adult Signature Restricted Delivery | \$ |

SANTA FE NM
APR 16 2021
Postmark Here
USPO 81504

Postage
\$ Total Railroad Commission of Texas
\$ Sent 1701 N. Congress
\$ Street Austin, Texas 78701
\$ City

PS Form 3800, April 2013 PSN 7530-02-000-9047 See reverse for instructions

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:
Railroad Commission of Texas
1701 N. Congress
Austin, Texas 78701



9590 9402 1258 5246 3421 05

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4773

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
X 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
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Priority 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

USPS Tracking®

[FAQs >](#)

[Track Another Package +](#)

Tracking Number: 70151730000097744773

[Remove X](#)

Your item has been delivered and is available at a PO Box at 6:25 am on April 22, 2021 in AUSTIN, TX 78711.

Delivered, PO Box

April 22, 2021 at 6:25 am
AUSTIN, TX 78711

Railroad Commission of Texas
1701 N. Congress
Austin, TX 78701

[Feedback](#)

Get Updates 

Text & Email Updates



Tracking History



Product Information



See Less 

Can't find what you're looking for?

Go to our [FAQs](#) section to find answers to your tracking questions.



9590 9402 1258 5246 3420 37

United States Postal Service

First-Class Mail Postage & Fees Paid USPS Permit No. G-10

• See reverse for return address and ZIP+4® in this box®



MONTGOMERY & ANDREWS LAW FIRM

P.O. Box 2307 Santa Fe, New Mexico 87504-2307

Titus/El Campeon Fed Com 404H (21872) - Notice Letter - 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE CERTIFIED MAIL



7015 1730 0000 9774 4841 7015 1730 0000 9774 4841

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

For delivery information, visit our website at www.usps.com®.

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 \$

Postage

\$

Total

\$

Sent

Street

City

State

ZIP+4

PS Form 3811, July 2015 PSN 7530-02-000-9053 See Reverse for Instructions

EOG Resources, Inc. PO Box 4362 Houston, TX 77210

SANTA FE NM APR 16 2021 USPO 87504

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:

EOG Resources, Inc. PO Box 4362 Houston, TX 77210



9590 9402 1258 5246 3420 37

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4841

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Agent

Addresssee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below:

Yes

No

3. Service Type

- Adult Signature
Adult Signature Restricted Delivery
Certified Mail®
Certified Mail Restricted Delivery
Collect on Delivery
Collect on Delivery Restricted Delivery

- Priority Mail Express®
Registered Mail™
Registered Mail Restricted Delivery
Return Receipt for Merchandise
Signature Confirmation™
Signature Confirmation Restricted Delivery

Restricted Delivery

Domestic Return Receipt



[FAQs >](#)

[Track Another Package +](#)

Tracking Number: 70151730000097744841

[Remove X](#)

Your item was picked up at a postal facility at 4:23 am on April 22, 2021 in HOUSTON, TX 77002.

Delivered, Individual Picked Up at Postal Facility

April 22, 2021 at 4:23 am
HOUSTON, TX 77002

EOG Resources, Inc.
PO Box 4362
Houston, TX 77210

[Feedback](#)

Get Updates 

Text & Email Updates



Tracking History



Product Information



See Less 

Can't find what you're looking for?

Go to our [FAQs](#) section to find answers to your tracking questions.



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

9590 9402 1258 5246 3419 93

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/El Campeon Fed Com
404H (21872) - Notice
Letter - 15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, SOLD AT DOTTED LINE.
CERTIFIED MAIL®



7015 1730 0000 9774 4889
7015 1730 0000 9774 4889

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

For delivery information, visit our website at www.usps.com®.

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

| | | |
|--------------------------|-------------------------------------|----------|
| <input type="checkbox"/> | Return Receipt (hardcopy) | \$ _____ |
| <input type="checkbox"/> | Return Receipt (electronic) | \$ _____ |
| <input type="checkbox"/> | Certified Mail Restricted Delivery | \$ _____ |
| <input type="checkbox"/> | Adult Signature Required | \$ _____ |
| <input type="checkbox"/> | Adult Signature Restricted Delivery | \$ _____ |

Postage \$ _____

Total \$ _____

Postmark Here: **SANTA FE NM APR 16 2021 USPO 87504**

Blue River Minerals, LLC
5950 Cedar Springs Rd Suite 100
Dallas, Texas 75235

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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:
Blue River Minerals, LLC
5950 Cedar Springs Rd Suite 100
Dallas, Texas 75235

2. Article Number (Transfer from service label)
7015 1730 0000 9774 4889

9590 9402 1258 5246 3419 93

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
X 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

| | | | |
|-------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------------|
| <input type="checkbox"/> | Adult Signature | <input type="checkbox"/> | Priority Mail Express® |
| <input type="checkbox"/> | Adult Signature Restricted Delivery | <input type="checkbox"/> | Registered Mail™ |
| <input checked="" type="checkbox"/> | Certified Mail® | <input type="checkbox"/> | Registered Mail Restricted Delivery |
| <input type="checkbox"/> | Certified Mail Restricted Delivery | <input checked="" type="checkbox"/> | Return Receipt for Merchandise |
| <input type="checkbox"/> | Collect on Delivery | <input type="checkbox"/> | Signature Confirmation™ |
| <input type="checkbox"/> | Delivery Restricted Delivery | <input type="checkbox"/> | Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> | all Restricted Delivery (over \$500) | | |



[FAQs >](#)

[Track Another Package +](#)

Tracking Number: 70151730000097744889

[Remove X](#)

Your item was delivered to an individual at the address at 12:26 pm on April 20, 2021 in DALLAS, TX 75235.

 **Delivered, Left with Individual**

April 20, 2021 at 12:26 pm
DALLAS, TX 75235

Blue River Minerals, LLC
5950 Cedar Springs Rd.
Suite 100
Dallas, TX 75235

[Feedback](#)

Get Updates 

Text & Email Updates 

Tracking History 

Product Information 

See Less 

Can't find what you're looking for?

Go to our [FAQs](#) section to find answers to your tracking questions.



9590 9402 1258 5246 3420 44

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

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/NSL Application – El
Campeon Fed Com 404H –
15412-2101/STS

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.
CERTIFIED MAIL®



7015 1730 0000 9774 4834
7015 1730 0000 9774 4834

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

For delivery information, visit our website at www.usps.com®.

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 \$

SANTA FE NM
APR 16 2021
USPO 87504

Postage

\$

Total

\$

Sent

Street

City

McCombs Energy, LLC
755 E. Mulberry, Suite 600
San Antonio, TX 78212

PS Form 3811, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

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:

McCombs Energy, LLC
755 E. Mulberry, Suite 600
San Antonio, TX 78212



9590 9402 1258 5246 3420 44

2. Article Number (Transfer from service label)

7015 1730 0000 9774 4834

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

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery

- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery



[FAQs >](#)

[Track Another Package +](#)

Tracking Number: 70151730000097744834

[Remove X](#)

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

In Transit to Next Facility

April 24, 2021

McCombs Energy, LLC
755 E. Mulberry, Suite 600
San Antonio, TX 78212

[Feedback](#)

[Get Updates v](#)

Text & Email Updates



Tracking History



April 24, 2021

In Transit to Next Facility

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

April 20, 2021, 12:25 am

Departed USPS Regional Facility
SAN ANTONIO TX DISTRIBUTION CENTER

April 19, 2021, 11:37 am

Arrived at USPS Regional Facility
SAN ANTONIO TX DISTRIBUTION CENTER

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
April 21, 2021
and ending with the issue dated
April 21, 2021.

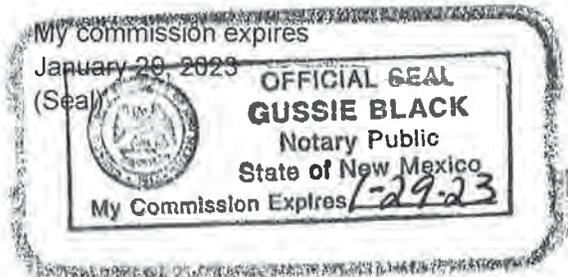


Publisher

Sworn and subscribed to before me this
21st day of April 2021.



Business Manager



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 April 21, 2021

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns, and any other uncommitted interest owners:

Occidental Petroleum; Texas Comptroller of Public Accounts; Railroad Commission of Texas; Bureau of Land Management; State Land Office; NM Taxation & Revenue Dept.; Devon Energy Production Company, LP; Chevron U.S.A., Inc.; McCombs Energy, LLC; EOG Resources, Inc.; Oxy USA, Inc.; Franco-Nevada Texas, LP; Newkumet, Ltd.; Blue River Minerals, LLC; Sammy L. Morrison, Trustee of Sammy and Sibyl Morrison Mineral Trust; Pegasus Resources, LLC; McMullen Minerals, LLC.

Titus Oil & Gas Production, LLC, has filed an application with the New Mexico Oil Conservation Division as follows:

Case No. 21872. Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The HSU will be dedicated to the **EI Campeon Fed Com 404H** well, to be horizontally drilled from an approximate surface hole location 558' FSL and 590' FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10' FSL and 1912' FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]). Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas. In addition to considering the allocation of production under Section 70-2-17, the Division may also consider whether approval of a non-standard spacing unit is required under 19.15.16.15(B)(5) NMAC. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Nonetheless, Titus will also be filing an administrative application for approval of a non-standard well location because the last take point will be located in Texas. The well and lands are located approximately 14 miles southwest of Jal, New Mexico.

This application will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division in Santa Fe, New Mexico on **May 6, 2021, at 8:15 a.m.** During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>. 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 by **April 28, 2021**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **April 29, 2021**, in accordance with Division Rule 19.15.4.13 NMAC. 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, #36432

01101398

00253295

SHARON T. SHAHEEN
MONTGOMERY & ANDREWS, P.A.
P.O. BOX OFFICE BOX 2307
A/C 451986
SANTA FE,, NM 87504-2307

EXHIBIT B
to Affidavit of Notice

10.

DOCKET: OIL CONSERVATION DIVISION HEARINGS - Thursday, June 17, 2021

8:15 a.m.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=ee3c3e4f30fa0447eafd6811563ac0dfe>

Event number: 187 369 2741

Event password: eaMKcXeP535

Join by video: 1873692741@nmemnrd.webex.com

Numeric Password: 200117

You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free

Access code: 187 369 2741

Applications for hearing shall be filed at least thirty (30) days in advance of the hearing date. A party who intends to present evidence shall file a pre-hearing statement no later than the close of business on the Thursday prior to the hearing date and serve a copy on the other parties, if any. The hearing examiner will dismiss the application if the applicant does not file and serve a pre-hearing statement as specified above.

NOTICE: The hearing examiner may call the following cases in any order in his or her discretion.

| | Case Number | Description |
|----|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | 21160 [Dismissed] | Application of AWR Disposal, LLC for approval of salt water disposal well in Lea County, New Mexico. Applicant seeks an order approving the Feeling Good Again SWD #1 well at a surface location 1,495 feet from the North line and 227 feet from the East line of Section 28, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico for the purpose of operating a salt water disposal well. Applicant requests authorization to inject salt water into the into the Devonian-Silurian formation at a depth of 15,935'-17,567'. Applicant requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said location is approximately 15.2 miles northwest of Jal, New Mexico. |
| 2. | 21168 [Dismissed] | Application of AWR Disposal, LLC for approval of salt water disposal well in Lea County, New Mexico. Applicant seeks an order approving the Rubys Lounge SWD #1 well at a surface location 1462 feet from the North line and 1196 feet from the East line of Section 16, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico for the purpose of operating a salt water disposal well. Applicant seeks authority to inject salt water into the Devonian-Silurian formation at a depth of 15,668' -17,359'. Applicant requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said location is approximately 15.1 miles southwest of Eunice, New Mexico. |
| 3. | 21268 [Continued to August 5, 2021] | Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interest owners in the Wolfcamp formation, Purple Sage-Wolfcamp Gas Pool (Pool code 98220), underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Section 2, Township 26 South, Range 28 East, and the E/2 of Section 35, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico. COG Operating LLC seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells: <ul style="list-style-type: none"> • The Dolores Fed Com 701H well to be horizontally drilled from a surface hole location in the SE/4SE/4 (Unit P) of Section 2 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 35, • The Dolores Fed Com 702H well to be horizontally drilled from a surface hole location in the SW/4SE/4 (Unit O) of Section 2 to a bottom hole location in the NW/4NE/4 (Unit B) of Section 35, and • The Dolores Fed Com 703H well to be horizontally drilled from a surface hole location in the SW/4SE/4 (Unit O) of Section 2 to a bottom hole location in the NW/4NE/4 (Unit B) of Section 35. Also, to be considered will be the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator of the wells, and the imposition of 200% charge for risk involved in drilling and completing said wells. Said area is located approximately 9.4 miles south of Malaga, New Mexico. |

| | | |
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| <p>4.</p> | <p>21269 [Continued to August 5, 2021]</p> | <p>Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interest owners in the Wolfcamp formation, Purple Sage-Wolfcamp Gas Pool (Pool code 98220), underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 2, Township 26 South, Range 28 East, and the W/2 of Section 35, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico. COG Operating LLC seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:</p> <ul style="list-style-type: none"> • The Dolores Fed Com 704H well to be horizontally drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 2 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 35, • The Dolores Fed Com 705H well to be horizontally drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 2 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 35, and • The Dolores Fed Com 706H well to be horizontally drilled from a surface hole location in the SW/4SW/4 (Unit M) of Section 2 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 35. <p>Also, to be considered will be the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator of the wells, and the imposition of 200% charge for risk involved in drilling and completing said wells. Said area is located approximately 9.3 miles south of Malaga, New Mexico.</p> |
| <p>5.</p> | <p>21270 [Continued to August 5, 2021]</p> | <p>Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interest owners in the Wolfcamp formation, Purple Sage-Wolfcamp Gas Pool (Pool code 98220), underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 6 and 7, Township 25 South, Range 30 East, NMPM, Eddy County, New Mexico. COG Operating LLC seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:</p> <ul style="list-style-type: none"> • The Huevos Rancheros State Com 701H well to be horizontally drilled from a surface hole location in the SE/4SE/4 (Unit P) of Section 7 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 6, • The Huevos Rancheros State Com 702H well to be horizontally drilled from a surface hole location in the SE/4SE/4 (Unit P) of Section 7 to a bottom hole location in the NW/4NE/4 (Unit B) of Section 6, and • The Huevos Rancheros State Com 703H well to be horizontally drilled from a surface hole location in the SW/4SE/4 (Unit O) of Section 7 to a bottom hole location in the NW/4NE/4 (Unit B) of Section 6. <p>Also, to be considered will be the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator of the wells, and the imposition of 200% charge for risk involved in drilling and completing said wells. Said area is located approximately 9.9 miles southeast of Malaga, New Mexico.</p> |
| <p>6.</p> | <p>21422 [Continued to August 19, 2021]</p> | <p>Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation, Purple Sage-Wolfcamp Gas Pool (Pool code 98220), underlying a standard 767.85-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 23, 26, and the N/2NW/4 and Lots 1-2 (W/2 equivalent) of irregular Section 35, Township 26 South, Range 28 East, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells: Keg Shell Fed Com #704H and Keg Shell Fed Com #705H to be drilled from a surface hole location in the SE/4NW/4 (Lot 2) of Section 35 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 23; Keg Shell Fed Com #706H to be drilled from a surface hole location in the SW/4NW/4 (Lot 1) of Section 35 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 23. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 22 miles southeast of Whites City, New Mexico.</p> |

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| 7. | <p>21423 [Continued to August 19, 2021]</p> | <p>Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation, Purple Sage-Wolfcamp Gas Pool (Pool code 98220), underlying a standard 767.95-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 23, 26, and the N/2NE/4 and Lots 3-4 (E/2 equivalent) of irregular Section 35, Township 26 South, Range 28 East, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells: Keg Shell Fed Com #701H and the Keg Shell Fed Com #702H to be drilled from a surface hole location in the SE/4NE/4 (Lot 4) of Section 35 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 23; Keg Shell Fed Com #703H to be drilled from a surface hole location in the SW/4NE/4 (Lot 3) of Section 35 to a bottom hole location in the NW/4NE/4 (Unit B) of Section 23. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 22 miles southeast of Whites City, New Mexico.</p> |
| 8. | <p>21945 [Continued to July 15, 2021]</p> | <p>(Re-Open) Application of Colgate Operating LLC to Amend Order No. R-21446, Eddy County, New Mexico. Applicant seeks an order from the Oil Conservation Division for the limited purposes of amending Order No. R-21446 to allow for a one-year extension of time to commence drilling the wells under the Order. The Division issued Order No. R-21446 on September 9, 2020, which designated Colgate as the operator of the unit and the Atlas 18 State Fed Com 122H and Atlas 18 State Fed Com 132H wells; and pooled uncommitted interest owners in a 233-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 NW/4 equivalent of irregular Section 18, Township 19 South, Range 29 East, and the S/2 N/2 of Section 13, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The Order requires commencement of drilling the wells within one year of the date of the Order unless Colgate obtains an extension by an amendment of this Order for good cause shown. Good cause exists for Colgate's request for an extension of time due to limitations from the pandemic and recent market conditions.</p> |
| 9. | <p>21946 [Continued to July 15, 2021]</p> | <p>(Re-Open) Application of Colgate Operating LLC to Amend Order No. R-21447, Eddy County, New Mexico. Applicant seeks an order from the Oil Conservation Division for the limited purposes of amending Order No. R-21447 to allow for a one-year extension of time to commence drilling the wells under the Order. The Division issued Order No. R-21447 on September 9, 2020, which designated Colgate as the operator of the unit and the Atlas 18 State Fed Com 131H well; and pooled uncommitted interest owners in a 233-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 NW/4 equivalent of irregular Section 18, Township 19 South, Range 29 East, and the N/2 N/2 of Section 13, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico. The Order requires commencement of drilling the wells within one year of the date of the Order unless Colgate obtains an extension by an amendment of this Order for good cause shown. Good cause exists for Colgate's request for an extension of time due to limitations from the pandemic and recent market conditions.</p> |
| 10. | <p>21965</p> | <p>Application of Devon Energy Production Company, L.P. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 160-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Section 17, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial White Dove 17 Fed Com #23H well, to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 17 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 17. Also to be considered will be the cost of drilling and completing the well, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of the Applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 21 miles northwest of Jal, New Mexico.</p> |
| 11. | <p>21966</p> | <p>Application of Devon Energy Production Company, L.P. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 160-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Section 17, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial White Dove 17 Fed Com #24H well, to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 17 to a</p> |

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| | | bottom hole location in the SW/4 SE/4 (Unit O) of Section 17. Also to be considered will be the cost of drilling and completing the well, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of the Applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 21 miles northwest of Jal, New Mexico. |
| 12. | 20344 [Continued to August 19, 2021] | Pool all uncommitted interests in the Bone Spring formation (Red Hills; Lower Bone Spring Pool) underlying a 320-acre standard horizontal spacing unit comprised of the E/2 E/2 of Sections 17 and 20, T25S, R34E to be dedicated to three wells |
| 13. | 21784 [Continued to July 15, 2021] | Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 28 and 33, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following wells, both of which have been drilled from a common surface hole location in NW/4 NW/4 (Unit D) of said Section 28 to bottom hole locations in the SW/4 SW/4 (Unit M) of said Section 33: (1) the Stonewall 28 Fed Com #301H well (API No. 30-025-44866), and (2) the Stonewall 28 Fed Com #302H well (API No. 30-025-44867). The completed interval for the Stonewall 28 Fed Com #302H well is at a non-standard location and has been approved by the Division in Administrative Order NSL-7768. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 17 miles northwest of Jal, New Mexico. |
| 14. | 21785 [Continued to July 15, 2021] | Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Sections 28 and 33, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the initial Stonewall 28 Fed Com #308H well (API No. 30-025-44873), which has been drilled from a surface hole location in NE/4 NW/4 (Unit C) of said Section 28 to a bottom hole location in the SE/4 SW/4 (Unit N) of said Section 33. The completed interval for the well will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing the well. Said area is located approximately 17 miles northwest of Jal, New Mexico. |
| 15. | 21786 [Continued to July 15, 2021] | Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 28 and 33, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the initial Stonewall 28 Fed Com #309H well (API No. 30-025-44926), which has been drilled from a surface hole location in NW/4 NE/4 (Unit B) of said Section 28 to a bottom hole location in the SW/4 SE/4 (Unit O) of said Section 33. The completed interval for the well will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing the well. Said area is located approximately 17 miles northwest of Jal, New Mexico. |
| 16. | 21787 [Continued to July 15, 2021] | Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 28 and 33, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following wells, both of which have been drilled from a common surface hole location NE/4 NE/4 (Unit A) of said Section 28 to bottom hole locations in the SE/4 SE/4 (Unit P) of said Section 33: (1) the Stonewall 28 Fed Com #313H well (API No. 30-025-44874), and the Stonewall 28 Fed Com #314H well (API No. 30-025-44875). The completed interval for the |

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| | | Stonewall 28 Fed Com #313H well is at a non-standard location and has been approved by the Division in Administrative Order NSL-8062. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 17 miles northwest of Jal, New Mexico. |
| 17. | 20345 [Continued to August 19, 2021] | Pool all uncommitted interests in the Wolfcamp formation (Pitchfork Ranch;Wolfcamp, South Pool) underlying a 320-acre standard horizontal spacing unit comprised of the W/2 E/2 of Sections 17 and 20, T25S, R34E, to be dedicated to two wells |
| 18. | 20346 [Continued to August 19, 2021] | Pool all uncommitted interests in the Bone Spring formation (Red Hills;Lower Bone Spring Pool) underlying a 320-acre standard horizontal spacing unit comprised of the W/2 E/2 of Sections 17 and 20, T25S, R34E to be dedicated to three wells |
| 19. | 20347 [Continued to August 19, 2021] | Pool all uncommitted interests in the Wolfcamp formation (Pitchfork Ranch;Wolfcamp, South Pool) underlying a 320-acre standard horizontal spacing unit comprised of the E/2 E/2 of Sections 17 and 20, T25S, R34E, to be dedicated to two wells |
| 20. | 20424 | Pool all uncommitted interests in the Bone Spring formation underlying a 480-acre standard horizontal spacing unit comprised of the W/2 of Section 21 and the NW/4 of Section 28, T22S, R32E, to be dedicated to ten Roadrunner 21 Fed wells |
| 21. | 21860 [Status Conference] | Application of Longfellow Energy, LP for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Yeso formation (Red Lake; Glorieta-Yeso, Northeast [96836]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the N/2 of Section 31, Township 17 South, Range 28 East, NMPM, in Eddy County, New Mexico. Applicant proposes to drill the following wells: (1) Marley State Com 31 AB 001H well, to be horizontally drilled from an approximate surface hole location 1578' FNL and 490' FWL of Section 32, T17S-R28E, to an approximate bottom hole location 361' FNL and 100' FWL of Section 31, T17S-R28E; (2) Marley State Com 31 AB 002H well, to be horizontally drilled from an approximate surface hole location 1603' FNL and 490' FWL of Section 32, T17S-R28E, to an approximate bottom hole location 843' FNL and 100' FWL of Section 31, T17S-R28E; (3) Marley State Com 31 AB 003H well, to be horizontally drilled from an approximate surface hole location 1628' FNL and 490' FWL of Section 32, T17S-R28E, to an approximate bottom hole location 1325' FNL and 100' FWL of Section 31, T17S-R28E; (4) Marley State Com 31 AB 004H well, to be horizontally drilled from an approximate surface hole location 1653' FNL and 490' FWL of Section 32, T17S-R28E, to an approximate bottom hole location 1807' FNL and 100' FWL of Section 31, T17S-R28E; and (5) Marley State Com 31 AB 005H well, to be horizontally drilled from an approximate surface hole location 1678' FNL and 490' FWL of Section 32, T17S-R28E, to an approximate bottom hole location 2288' FNL and 100' FWL of Section 31, T17S-R28E. The completed intervals and first and last take points for all wells will meet the setback requirements set forth in the statewide rules for horizontal oil wells. A depth severance exists in the NW/4 NW4 of Section 31. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 15 miles west of Loco Hills, New Mexico. |
| 22. | 21954 [Status Conference] | Application of Longfellow Energy, LP for Compulsory Pooling and for Approval of a Non-Standard Location, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Yeso formation (Artesia; Glorieta-Yeso [96830]) in a standard 160-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the N/2 N/2 of Section 29, Township 17 South, Range 28 East, NMPM, in Eddy County, New Mexico. Applicant proposes to drill the Elvis State Com 29A 001H well, to be horizontally drilled from an approximate surface hole location 790' FNL and 560' FWL of Section 28, T17S-R28E, to an approximate bottom hole location 181' FNL and 100' FWL of Section 29, T17S-R28E. Applicant further requests approval of an unorthodox location for the well because the completed interval is closer than 330' from the outer boundary of the HSU. The first and last take points for the well will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Also to be considered will be the cost of drilling and |

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| | | completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 14 miles west of Loco Hills, New Mexico. |
| 23. | 20309 [Continued to August 19, 2021] | Pool all uncommitted mineral interests underlying a Bone Spring horizontal spacing unit comprised of the E/2 of Section 17, T25S, R34E |
| 24. | 20310 [Continued to August 19, 2021] | Pool all uncommitted mineral interests underlying a Wolfcamp horizontal spacing unit comprised of the E/2 of Section 17, T25S, R34E |
| 25. | 21169 [Continued to August 19, 2021] | Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Colossus 19 WB Fed Com 11H and the Colossus 19 WB Fed Com 17H wells, to be horizontally drilled. The producing area for the wells will be unorthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 13 miles Southwest of Jal, New Mexico. |
| 26. | 21170 [Continued to August 19, 2021] | Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Colossus 19 WA Fed Com 9H; Colossus 19 WXY Fed Com 12H; Colossus 19 WA Fed Com 15H; and Colossus 19 WXY Fed Com 18H wells, to be horizontally drilled. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 13 miles Southwest of Jal, New Mexico. |
| 27. | 21171 [Continued to August 19, 2021] | Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Colossus 19 SB Fed Com 19H and Colossus 19 AV Fed Com 24H wells, to be horizontally drilled. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 13 miles Southwest of Jal, New Mexico. |
| 28. | 21172 [Continued to August 19, 2021] | Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Colossus 19 SB Fed Com 13H and Colossus 19 AV Fed Com 27H wells, to be horizontally drilled. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 13 miles Southwest of Jal, New Mexico. |
| 29. | 21578 [Continued to August 19, 2021] | Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 8 and E/2E/2 of Section 17, Township 19 South, Range 35 East, NMPM. The unit will be dedicated to the Hibiscus State Well No. 134H, with a first take point in the NE/4NE/4 of Section 8 and a last take point in the SE/4SE/4 of Section 17. Also to be considered will be the cost of drilling, completing, and equipping the |

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| | | well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 13-1/2 miles west-northwest of Monument, New Mexico. |
| 30. | 21579 [Continued to August 19, 2021] | Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying a (proximity tract) horizontal spacing unit comprised of the E/2 of Section 8 and E/2 of Section 17, Township 19 South, Range 35 East, NMPM. The unit will be dedicated to (a) the Hibiscus State Well No. 207H, with a first take point in the NW/4NE/4 of Section 8 and a last take point in the SW/4SE/4 of Section 17, and (b) the Hibiscus State Well No. 208H, with a first take point in the NE/4NE/4 of Section 8 and a last take point in the SE/4SE/4 of Section 17. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately 13-1/2 miles west-northwest of Monument, New Mexico. |
| 31. | 21896 [Continued to July 15, 2021] | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 28, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to has drilled or proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation: (a) The Thor 28 WXY Fee Well No. 1H, with a first take point in the SE/4SW/4, and a last take point in the NE/4NW/4; of Section 28; (b) The Thor 28 WA Fee Well No. 3H, with a first take point in the SE/4SW/4, and a last take point in the NE/4NW/4; of Section 28; (c) The Thor 28 WXY Fee Well No. 5H, with a first take point in the SW/4SW/4, and a last take point in the NW/4NW/4; of Section 28; and (d) The Thor 28 WD Fee Well No. 8H, with a first take point in the SW/4SW/4, and a last take point in the NW/4NW/4; of Section 28. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately 1/2 mile south of Loving, New Mexico. |
| 32. | 21724 | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 23 and the N/2 of Section 24, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to: (a) the Chile Verde W0DA 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the NW/4NW/4 of Section 23 and a last take point in the NE/4NE/4 of Section 24; and (b) the Chile Verde W0EH 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4NW/4 of Section 23 and a last take point in the SE/4NE/4 of Section 24. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The well unit is located approximately 4-1/2 miles northeast of Carlsbad, New Mexico. |
| 33. | 21725 | Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2 of Section 23 and the S/2 of Section 24, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to: (a) the Chile Verde W0LI 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the NW/4SW/4 of Section 23 and a last take point in the NE/4SE/4 of Section 24; and (b) the Chile Verde W0MP 23/24 Fed. Com. Well No. 1H, a horizontal well with a first take point in the SW/4SW/4 of Section 23 and a last take point in the SE/4SE/4 of Section 24. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The well unit is located approximately 4 miles northeast of Carlsbad, New Mexico. |

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| 34. | 21888 | <p>Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the SE/4 of Section 5 and the S/2 of Section 4, Township 21 South, Range 27 East, NMPM. The unit will be dedicated to the following wells:</p> <p>(a) The Tough Ombres 5/4 W0RQ Fed. Com. Well No. 1H, with a first take point in the NW/4SE/4 of 5 and a final take point in the NE/4SE/4 of Section 4; and</p> <p>(b) The Tough Ombres 5/4 W0WX Fed. Com. Well No. 1H, with a first take point in the SW/4SE/4 of 5 and a final take point in the SE/4SE/4 of Section 4.</p> <p>Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately 6-1/2 miles north-northeast of Carlsbad, New Mexico.</p> |
| 35. | 21959 | <p>Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the S/2SE/4 of Section 29 and the S/2S/2 of Section 28, Township 18 South, Range 29 East, NMPM. The unit will be dedicated to the Pavo Frio 29/28 B3OP Fed. Com. Well No. 2H, with a first take point in the SW/4SE/4 of Section 29 and a final take point in the SE/4SE/4 of Section 28. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 10 miles southwest of Loco Hills, New Mexico.</p> |
| 36. | 21960 | <p>Application of Mewbourne Oil Company to re-open Case No. 21496, for compulsory pooling, to pool additional parties, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 28 and the N/2 of Section 29, Township 22 South, Range 27 East, NMPM. The unit will be dedicated to (a) The City Slickers 28/29 W0HE Fee Well No. 1H, with a first take point in the SE/4NE/4 of 28 and a last take point in the SW/4NW/4 of Section 29, and (b) The City Slickers 28/29 W0AD Fee Well No. 1H, with a first take point in the NE/4NE/4 of 28 and a last take point in the NW/4NW/4 of Section 29. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately 2-1/2 miles northwest of Otis, New Mexico.</p> |
| 37. | 21964 | <p>Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the S/2S/2 of Section 9 and the S/2S/2 of Section 10, Township 20 South, Range 29 East, NMPM. The unit will be dedicated to the Perrazi 9/10 W0MP Federal Well No. 1H, with a first take point in the SW/4SW/4 of Section 9 and a final take point in the SE/4SE/4 of Section 10. Also to be considered will be the cost of drilling, completing, and equipping the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 10 miles northeast of Carlsbad, New Mexico.</p> |
| 38. | 20568 [Dismissed] | <p>Approve drilling the Buckeye SWD #1 well in Section 33, T20S, R29E for the purpose of operating a salt water disposal well for the injection of salt water into the Devonian-Silurian formation</p> |
| 39. | 20569 [Dismissed] | <p>Approve drilling the Burton Flats SWD #1 well in Section 9, T20S, R29E for the purpose of operating a salt water disposal well to inject salt water into the Silurian-Devonian formation</p> |
| 40. | 21908 | <p>Application of OXY USA Inc. for approval of 1,280-acre non-standard spacing units in the Bone Spring & Wolfcamp formations comprised of acreage subject to a proposed communitization agreement, Lea County, New Mexico. Applicant in the above-styled cause seeks an order approving 1,280-acre non-standard spacing units to match the corresponding proposed Communitization Agreement for the acreage underlying Sections 27 and 34, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. The acreage underlying the proposed non-standard spacing units are subject to the following Division designated pools:</p> |

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| | | <ul style="list-style-type: none"> • Red Tank; Bone Spring Pool (Pool Code 51683) • WC-025 G-08 S223227D; Upper Wolfcamp Pool (Pool Code 98286) <p>The subject area is located approximately 32 miles northeast of Jal, New Mexico.</p> |
| 41. | 21676 [Continued to July 15, 2021] | <p>Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in the Yeso formation (from the stratigraphic equivalent of 4,225' MD to 5,000' MD as observed on the Anderson-Federal 1 well Schlumberger Sidewall Neutron Porosity Log (API No. 30-015-20565)) in a 315-acre, more or less, standard (proximity tract) horizontal spacing unit comprised of the S/2 of Section 7, Township 17 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to following wells: (1) Merak 7 Federal 10H well, which will be horizontally drilled from a surface location in Unit L of Section 8 to a bottom hole location in Lot 3 of Section 7; (2) Merak 7 Federal 11H well, which will be horizontally drilled from a surface location in Unit M of Section 8 to a bottom hole location in Lot 4 of Section 7; (3) Merak 7 Federal 22H well, which will be horizontally drilled from a surface location in Unit M of Section 8 to a bottom hole location in Lot 3 of Section 7; (4) Merak 7 Federal 51H well, which will be horizontally drilled from a surface location in Unit L of Section 8 to a bottom hole location in Lot 3 of Section 7; and (5) Merak 7 Federal 52H well, which will be horizontally drilled from a surface location in Unit M of Section 8 to a bottom hole location in Lot 4 of Section 7. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 3 miles northwest of Loco Hills, New Mexico.</p> |
| 42. | 21677 [Continued to July 15, 2021] | <p>Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in the Yeso formation (from the stratigraphic equivalent of 5,000' MD to 6,341' MD as observed on the Anderson-Federal 1 well Schlumberger Sidewall Neutron Porosity Log (API No. 30-015-20565)) in a 315-acre, more or less, standard (proximity tract) horizontal spacing unit comprised of the S/2 of Section 7, Township 17 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Merak 7 Federal 70H well, which will be horizontally drilled from a surface location in Unit M of Section 8 to a bottom hole location in Lot 4 of Section 7. The completed interval of the well will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 3 miles northwest of Loco Hills, New Mexico.</p> |
| 43. | 21848 [Dismissed] | <p>Application of Spur Energy Partners, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Yeso formation, underlying a standard 320-acre horizontal spacing unit comprised of the N/2 of Section 32, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the above-referenced spacing unit to the following wells:</p> <ul style="list-style-type: none"> • The Blalock #1H well, the Blalock #11H well, the Blalock #51H well, the Blalock #71H well, the Blalock #91H well each of which will be horizontally drilled from a common surface location in the NE/4 NE/4 (Unit A) of Section 31, to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 32; and • The Blalock #10H well, the Blalock #30H well, the Blalock #50H well, the Blalock #70H well, the Blalock #90H well each of which will be horizontally drilled from a common surface location in the SE/4 NE/4 (Unit H) of Section 31, to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 32. <p>The completed intervals of the Blalock #30H well and the Blalock #91H well will remain within 330 feet of the quarter-quarter line separating the N/2 N/2 from the S/2 N/2 of Section 32 to allow inclusion of these proximity tracts into a standard horizontal spacing unit. Also, to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof, actual operating costs, charges for supervision, designation of applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 13 miles south of Artesia, New Mexico.</p> |
| 44. | 21880 [Continued to July 15, 2021] | <p>Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks to pool uncommitted interests from the top of the Yeso formation (at a stratigraphic equivalent of approximately 3,511' MD as observed on the Rio Cinco 26 State #1 Platform Express, Compensated Neutron Lithodensity well log (API No. 30-015-31043)) to a</p> |

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| | | <p>depth of approximately 4,000' in a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 27, Township 17 South, Range 28 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: (1) Halberd A 27 State 1H, which will be horizontally drilled from a surface location in Unit A of Section 28 to a bottom hole location in Unit A of Section 27; and (2) Halberd A 27 State 10H, which will be horizontally drilled from a surface location in Unit A of Section 28 to a bottom hole location in Unit A of Section 27. The completed interval of the Halberd A 27 State 10H well will be within 330' of the line separating the N/2N/2 from the S/2N/2 of Section 27 to allow inclusion of this acreage into a standard 320-acre horizontal spacing unit. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 10 miles west of Loco Hills, New Mexico.</p> |
| <p>45.</p> | <p>21881 [Continued to July 15, 2021]</p> | <p>Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks to pool uncommitted interests from a depth of approximately 4,000' to the base of the Yeso formation (at a stratigraphic equivalent of approximately 5,568' MD as observed on the Rio Cinco 26 State #1 Platform Express, Compensated Neutron Lithodensity well log (API No. 30-015-31043)) in a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 27, Township 17 South, Range 28 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: (1) Halberd A 27 State 50H, which will be horizontally drilled from a surface location in Unit A of Section 28 to a bottom hole location in Unit A of Section 27; (2) Halberd A 27 State 70H, which will be horizontally drilled from a surface location in Unit A of Section 28 to a bottom hole location in Unit A of Section 27; (3) Halberd A 27 State 90H, which will be horizontally drilled from a surface location in Unit A of Section 28 to a bottom hole location in Unit A of Section 27; (4) Halberd B 27 State 51H, which will be horizontally drilled from a surface location in Unit E of Section 26 to a bottom hole location in Unit E of Section 27; (5) Halberd B 27 State 71H, which will be horizontally drilled from a surface location in Unit E of Section 26 to a bottom hole location in Unit E of Section 27; and (6) Halberd B 27 State 91H, which will be horizontally drilled from a surface location in Unit E of Section 26 to a bottom hole location in Unit E of Section 27. The completed interval of the Halberd A State 70H well will be within 330' of the line separating the N/2N/2 from the S/2N/2 of Section 27 to allow inclusion of this acreage into a 320-acre horizontal spacing unit. The completed interval of the Halberd B State 71H well will be unorthodox. The completed intervals of the Halberd A 27 State 50H, 70H, 90H wells, and Halberd B 27 State 51H and 91H wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 10 miles west of Loco Hills, New Mexico.</p> |
| <p>46.</p> | <p>21882 [Continued to July 15, 2021]</p> | <p>Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks to pool uncommitted interests from a depth of approximately 4,000' to the base of the Yeso formation (at a stratigraphic equivalent of approximately 5,568' MD as observed on the Rio Cinco 26 State #1 Platform Express, Compensated Neutron Lithodensity well log (API No. 30-015-31043)) in a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 of Section 27, Township 17 South, Range 28 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: (1) Halberd C 27 State 52H, which will be horizontally drilled from a surface location in Unit I of Section 28 to a bottom hole location in Unit I of Section 27; (2) Halberd C 27 State 92H, which will be horizontally drilled from a surface location in Unit I of Section 28 to a bottom hole location in Unit I of Section 27; (3) Halberd D 27 State 72H, which will be horizontally drilled from a surface location in Unit P of Section 28 to a bottom hole location in Unit P of Section 27; and (4) Halberd D 27 State 53H, which will be horizontally drilled from a surface location in Unit P of Section 28 to a bottom hole location in Unit P of Section 27. The completed interval of the Halberd D 27 State 72H well will be within 330' of the line separating the N/2S/2 from the S/2S/2 of Section 27 to allow inclusion of this acreage into a 320-acre horizontal spacing unit. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 10 miles west of Loco Hills, New Mexico.</p> |

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| <p>47.</p> | <p>21883 [Continued to July 15, 2021]</p> | <p>Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks to pool uncommitted interests from the top of the Yeso formation (at a stratigraphic equivalent of approximately 3,511' MD as observed on the Rio Cinco 26 State #1 Platform Express, Compensated Neutron Lithodensity well log (API No. 30-015-31043)) to a depth of approximately 4,000' in a 160-acre, more or less, standard horizontal spacing unit comprised of the N/2S/2 of Section 27, Township 17 South, Range 28 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Halberd C 27 State 11H well, which will be horizontally drilled from a surface location in Unit I of Section 28 to a bottom hole location in Unit I of Section 27. The completed interval of the well will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 10 miles west of Loco Hills, New Mexico.</p> |
| <p>48.</p> | <p>21937</p> | <p>Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in the Yeso formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 of Section 36, Township 17 South, Range 27 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to following wells:</p> <ul style="list-style-type: none"> • Waukee C 36 State Com 2H, Waukee C 36 State Com 11H, and Waukee C 36 State Com 51H, which will be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 31 to a bottom hole location in the NW/4SW/4 (Unit L) of Section 36; and • Waukee D 36 State Com 1H, Waukee D 36 State Com 10H, and Waukee D 36 State Com 50H, which will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 31 to a bottom hole location in the SW/4SW/4 (Unit M) of Section 36 (collectively the "Wells"). <p>The completed interval of the Waukee C 36 State Com 2H is unorthodox. The completed intervals of the remaining Wells are orthodox. The completed interval for the Waukee D 36 State Com 1H will be within 330' of the line separating the N/2S/2 and S/2S/2 of Section 36 to allow inclusion of this acreage into a standard 320-acre horizontal spacing unit.</p> <p>Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately four (4) miles southeast of Riverside, New Mexico.</p> |
| <p>49.</p> | <p>21938</p> | <p>Application of Spur Energy Partners, LLC to Amend Order Nos. R-20642, R-20642-B, & R-20642-C, Eddy County, New Mexico. Applicant in the above-styled cause seeks a year extension of time to drill the initial well under Order Nos. R-20642, R-20642-B, & R-20642-C. The standard 200-acre, more or less, horizontal spacing unit is comprised of the Penasco Draw; San Andres Yeso Pool (50270) underlying the S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. The pooled vertical depths are limited to the top of the pool (at a stratigraphic equivalent depth of 2,279 feet measured depth) as defined in the Gamma Ray-Neutron Log of the Len Mayer No. 1 Well (API No. 30-015-05926) to a depth of 3,200 feet. The spacing unit is dedicated to the Nirvana #1H well, and the Nirvana #2H well, to be drilled from surface locations in the SW/4 SW/4 (Unit M) of Section 27, to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 29. Said area is located approximately 8.5 miles southeast of Artesia, New Mexico.</p> |
| <p>50.</p> | <p>21939</p> | <p>Application of Spur Energy Partners, LLC to Amend Order Nos. R-20643 & R-20643-A, Eddy County, New Mexico. Applicant in the above-styled cause seeks a year extension of time to drill the initial well under Order Nos. R-20643 & R-20643-A. The standard 200-acre, more or less, horizontal spacing unit is comprised of the Penasco Draw; San Andres Yeso Pool (50270) underlying the S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. The Orders limited the pooled vertical depths from a stratigraphic equivalent of a depth of 3,201 feet to the base of the Yeso formation at a stratigraphic equivalent of 4,460 feet measured depth, as defined in the Gamma Ray-Neutron Log from the Len Mayer 1 Well (API No. 30-015-05926). The spacing unit is dedicated to the Nirvana #3H well. Said area is located approximately 8.5 miles southeast of Artesia, New Mexico.</p> |

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| <p>51.</p> | <p>20676 [Continued to August 19, 2021]</p> | <p>Application of Tap Rock Resources, LLC for a compulsory pooling, Eddy County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 23, Township 26 South, Range 28 East, NMPM. The unit will be dedicated to the Painted Pole Fed. Com. Well No. 234H to be drilled to a depth sufficient to test the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool). The well has a surface location in the SE/4SE/4 of adjoining Section 14, with a first take point in the NE/4NE/4 and a final take point in the SE/4SE/4 of Section 23. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 2-1/2 miles northwest of the intersection of U.S. Highway 285 with the New Mexico-Texas border.</p> |
| <p>52.</p> | <p>21611 [Continued to July 15, 2021]</p> | <p>Application of Tap Rock Resources, LLC for a compulsory pooling, Eddy County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 9 and the W/2 of Section 16, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the following wells: (a) the Schlitz Fed. Com. Well No. 202H, with a first take point in the SE/4SW/4 of Section 16 and the last take point in the NE/4NW/4 of Section 9; and (b) the Schlitz Fed. Com. Well No. 211H, with a first take point in the SW/4SW/4 of Section 16 and the last take point in the NW/4NW/4 of Section 9. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The well unit is located approximately 5 miles southeast of Whites City, New Mexico.</p> |
| <p>53.</p> | <p>21612 [Continued to July 15, 2021]</p> | <p>Application of Tap Rock Resources, LLC for a compulsory pooling, Eddy County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2 of Section 9 and the E/2 of Section 16, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the following wells: (a) the Schlitz Fed. Com. Well No. 204H, with a first take point in the SE/4SE/4 of Section 16 and the last take point in the NE/4NE/4 of Section 9; and (b) the Schlitz Fed. Com. Well No. 213H, with a first take point in the SW/4SE/4 of Section 16 and the last take point in the NW/4NE/4 of Section 9. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The well unit is located approximately 5-1/2 miles southeast of Whites City, New Mexico.</p> |
| <p>54.</p> | <p>21613 [Continued to July 15, 2021]</p> | <p>Application of Tap Rock Resources, LLC for a compulsory pooling, Eddy County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 8 and the W/2 of Section 17, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the following wells: (a) the OE Fed. Com. Well No. 202H, with a first take point in the NE/4NW/4 of Section 8 and the last take point in the SE/4SW/4 of Section 17; and (b) the OE Fed. Com. Well No. 211H, with a first take point in the NW/4NW/4 of Section 8 and the last take point in the SW/4SW/4 of Section 17. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The well unit is located approximately 4 miles southeast of Whites City, New Mexico.</p> |
| <p>55.</p> | <p>21614 [Continued to July 15, 2021]</p> | <p>Application of Tap Rock Resources, LLC for a compulsory pooling, Eddy County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2 of Section 8 and the E/2 of Section 17, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the following wells:</p> |

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| | | <p>(a) the OE Fed. Com. Well No. 204H, with a first take point in the NE/4NE/4 of Section 8 and the last take point in the SE/4SE/4 of Section 17; and</p> <p>(b) the OE Fed. Com. Well No. 213H, with a first take point in the NW/4NE/4 of Section 8 and the last take point in the SW/4SE/4 of Section 17.</p> <p>Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The well unit is located approximately 4-1/2 miles southeast of Whites City, New Mexico.</p> |
| 56. | <p>21197 [Continued to August 19, 2021]</p> | <p>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 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 E/2 of Section 18 and the W/2 E/2 of Section 19, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following well: River Ranch Fed Com 323H well, to be horizontally drilled from an approximate surface hole location 471' FSL and 1947' FEL of Section 7, T26S-R35E, to an approximate bottom hole location 10' FSL and 1652' FEL of Section 19, T26S-R35E. The completed interval 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 well and lands are located approximately 13 miles southwest of Jal, New Mexico.</p> |
| 57. | <p>21198 [Continued to August 19, 2021]</p> | <p>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 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 E/2 of Section 18 and the W/2 E/2 of Section 19, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) River Ranch Fed Com 403H well, to be horizontally drilled from an approximate surface hole location 471' FSL and 2007' FEL of Section 7, T26S-R35E, to an approximate bottom hole location 10' FSL and 2313' FEL of Section 19, T26S-R35E, and (2) River Ranch Fed Com 513H well, to be horizontally drilled from an approximate surface hole location 471' FSL and 1872' FEL of Section 7, T26S-R35E, to an approximate bottom hole location 10' FSL and 1872' FEL of Section 19, 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.</p> |
| 58. | <p>21199 [Continued to August 19, 2021]</p> | <p>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 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 E/2 of Section 18 and the E/2 E/2 of Section 19, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico. Applicant proposes to drill the following wells: (1) River Ranch Fed Com 404H well, to be horizontally drilled from an approximate surface hole location 474' FSL and 627' FEL of Section 7, T26S-R35E, to an approximate bottom hole location 10' FSL and 330' FEL of Section 19, T26S-R35E, (2) River Ranch Fed Com 434H well, to be horizontally drilled from an approximate surface hole location 474' FSL and 687' FEL of Section 7, T26S-R35E, to an approximate bottom hole location 10' FSL and 992' FEL of Section 19, T26S-R35E, and (3) River Ranch Fed Com 514H well, to be horizontally drilled from an approximate surface hole location 474' FSL and 560' FEL of Section 7, T26S-R35E, to an approximate bottom hole location 10' FSL and 530' FEL of Section 19, 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.</p> |

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| <p>59.</p> | <p>21872</p> | <p>Application of Titus Oil & Gas Production, LLC for Approval of Production Allocation, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division approving the production allocation of minerals in the Wolfcamp formation (WC-025 G-09 S263619C; Wolfcamp [98234]) underlying a standard 280-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 E/2 of Section 29 and the NE/4 NE/4 & Lot 1 of irregular Section 32, Township 26 South, Range 35 East, NMPM, in Lea County, New Mexico, and Lot 1 of irregular Section 25, Block C24, in Loving County, Texas. The HSU will be dedicated to the El Campeon Fed Com 404H well, to be horizontally drilled from an approximate surface hole location 558’ FSL and 590’ FEL of Section 20, T26S-R35E, Lea County, New Mexico, to an approximate bottom hole location 10’ FSL and 1912’ FEL of Section 25, Block C24, Public School Land Survey, Abstract No. 701, Loving County, Texas. The well will cross the New Mexico/Texas border, continuing to produce in the Wolfcamp formation (Phantom; Wolfcamp [Texas Field No. 71052900]. Production will be allocated to New Mexico and Texas prorated on the basis of surface acreage in the proration unit or in any other manner mutually acceptable to the Division and to the Railroad Commission of Texas. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The well and lands are located approximately 14 miles southwest of Jal, New Mexico.</p> |
| <p>60.</p> | <p>21913 [Continued to July 15, 2021]</p> | <p>Amended Application of WPX Energy Permian, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool (98220)), underlying a 862.40-acre, more or less, standard horizontal spacing unit comprised of all of Section 26 and the N/2 equivalent of irregular Section 35, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells: (1) The Steel Guitar 35-26-29 Fed Com #411H well, and (2) the Steel Guitar 35-26-29 Fed Com #421H well, to be horizontally drilled from a common surface hole location in the NE/4 NW/4 (Unit C) of Section 26 to bottom hole locations in the SW/4 NW/4 (Lot 9) of Section 35; (3) The Steel Guitar 35-26-29 Fed Com #412H well, (4) the Steel Guitar 35-26-29 Fed Com #422H well, and (5) the Steel Guitar 35-26-29 Fed Com #423H well, to be horizontally drilled from a common surface hole location in the NE/4 NW/4 (Unit C) of Section 26 to bottom hole locations in the SE/4 NW/4 (Lot 10) of Section 35; and (6) The Steel Guitar 35-26-29 Fed Com #413H well, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 26 to a bottom hole location in the SW/4 NE/4 (Lot 11) of Section 35. The S/2 N/2 of irregular Section 35 borders the Texas state line. Also to be considered will be the cost of drilling and completing the wells, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of the Applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 17 miles south of Malaga, New Mexico.</p> |
| <p>61.</p> | <p>21063 [Continued to July 15, 2021]</p> | <p>Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 3 and W/2W/2 of Section 10, Township 22 South, Range 32 East, NMPM. The unit will be dedicated to the Nina Cortell Well Nos. 125H and 131H, with first take points in the NW/4NW/4 of Section 3 and final take points in the SW/4SW/4 of Section 25. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 10 miles south-southeast of Halfway, New Mexico.</p> |
| <p>62.</p> | <p>21064 [Continued to July 15, 2021]</p> | <p>Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 3 and E/2W/2 of Section 10, Township 22 South, Range 32 East, NMPM. The unit will be dedicated to the Nina Cortell Well Nos. 126H, 132H, and 112H, with first take points in the NE/4NW/4 of Section 3 and final take points in the SE/4SW/4 of Section 25. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 10 miles south-southeast of Halfway, New Mexico.</p> |

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| 63. | 21065 [Continued to July 15, 2021] | Application of Matador Production Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 3 and E/2W/2 of Section 10, Township 22 South, Range 32 East, NMPM. The unit will be dedicated to the Nina Cortell Well No. 202H, with a first take point in the NE/4NW/4 of Section 3 and a final take point in the SE/4SW/4 of Section 25. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles south-southeast of Halfway, New Mexico. |
| 64. | 20988 [Continued to July 15, 2021] | Application of Ostrich Oil and Gas LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of W/2 of Section 10, Township 22 South, Range 32 East, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial Frizzle Freedom 10 BS Fed Com #1H Well to be drilled from a surface hole location in NW/4 NW/4 (Unit D) of Section 10, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 10. The completed interval for the proposed Frizzle Freedom 10 BS Fed Com #1H Well will be within 330' of the quarter-quarter line separating the W/2 W/2 and the E/2 W/2 of Section 10 to allow inclusion of this acreage into a standard 320-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing the well. Said area is located approximately 25 miles east of Loving, New Mexico. |
| 65. | 20989 [Continued to July 15, 2021] | Application of Ostrich Oil and Gas LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of W/2 of Section 10, Township 22 South, Range 32 East, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial Frizzle Freedom 10 WC Fed Com #2H Well to be drilled from a surface hole location in NW/4 NW/4 (Unit D) of Section 10, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 10. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing the well. Said area is located approximately 25 miles east of Loving, New Mexico. |
| 66. | 21651 | Application of Longfellow Energy, LP for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Yeso formation (Empire; Glorieta-Yeso [96210]) in a standard 480-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the NE/4 of Section 14 and the N/2 of Section 13, all within Township 17 South, Range 28 East, NMPM, in Eddy County, New Mexico. Applicant proposes to drill the following wells: (1) Hendrix State Com 1314 ABX 001H well, to be horizontally drilled from an approximate surface hole location 361' FNL and 2400' FEL of Section 14, T17S-R28E, to an approximate bottom hole location 347' FNL and 20' FEL of Section 13, T17S-R28E; (2) Hendrix State Com 1314 ABX 002H well, to be horizontally drilled from an approximate surface hole location 386' FNL and 2400' FEL of Section 14, T17S-R28E, to an approximate bottom hole location 800' FNL and 20' FEL of Section 13, T17S-R28E; (3) Hendrix State Com 1314 ABX 003H well, to be horizontally drilled from an approximate surface hole location 1703' FNL and 2428' FEL of Section 14, T17S-R28E, to an approximate bottom hole location 1254' FNL and 20' FEL of Section 13, T17S-R28E; (4) Hendrix State Com 1314 ABX 004H well, to be horizontally drilled from an approximate surface hole location 1728' FNL and 2428' FEL of Section 14, T17S-R28E, to an approximate bottom hole location 1708' FNL and 20' FEL of Section 13, T17S-R28E; and (5) Hendrix State Com 1314 ABX 005H well, to be horizontally drilled from an approximate surface hole location 1753' FNL and 2428' FEL of Section 14, T17S-R28E, to an approximate bottom hole location 2161' FNL and 20' FEL of Section 13, T17S-R28E. 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 wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and |

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| | | <p>completing the wells. The wells and lands are located approximately 9 miles west of Loco Hills, New Mexico.</p> |
| <p>67.</p> | <p>21733</p> | <p>Application of Spur Energy Partners, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Yeso formation, underlying a standard 480-acre horizontal spacing unit comprised of the N/2 of Section 13, and the NE/4 of Section 14, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the above-referenced spacing unit to the following wells:</p> <ul style="list-style-type: none"> • The Aid North #10H well, and the Aid North #50H, each of which will be horizontally drilled from a common surface location in the NW/4 NE/4 (Unit B) of Section 14, to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 13; • The Aid North #11H well, the Aid North #12H well, the Aid North #51H well, and the Aid North #70H well, each of which will be horizontally drilled from a common surface location in the NW/4 NE/4 (Unit B) of Section 14 to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 13. The completed interval of the Aid North #11H well will remain within 330 feet of the quarter-quarter line separating the N/2 N/2 from the S/2 N/2 of Section 13 and the N/2 NE/4 from the S/2 SE/4 of Section 14 to allow inclusion of these proximity tracts into a standard horizontal spacing unit. Also, to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof, actual operating costs, charges for supervision, designation of applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 13 miles south of Artesia, New Mexico. |

11.

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

REPORTER'S TRANSCRIPT OF PREHEARING PROCEEDINGS

EXAMINER HEARING

THURSDAY, JUNE 17, 2021

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Legal Examiner, and Leonard Lowe and John Garcia, Technical Examiners, on Thursday June 17, 2021, via the Webex Virtual Conferencing Platform.

Reported by: Mary Therese Macfarlane
New Mexico CCR No. 122
PAUL BACA COURT REPORTERS
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

1 (Time noted 8:15 A.M.)

2 HEARING EXAMINER: Good morning. I think we are
3 about ready to go on the record here. Good morning,
4 everyone.

5 This is getting a little bit of feedback so
6 if everybody could mute their mics that would be helpful.

7 This is a hearing of the Oil Conservation
8 Division on June 17, 2021. I'm Bill Brancard. I'm the
9 Legal Hearing Examiner for this hearing today.

10 With me are Technical Hearing Examiners
11 Leonard Lowe -- are you there, Mr. Lowe?

12 EXAMINER LOWE: Yes, I am.

13 EXAMINER BRANCARD: And John Garcia who will be
14 joining us for some of the latter cases. John? I think I
15 see you on there.

16 We have a court reporter with us today, I
17 believe that's Ms. Macfarlane. Are you on?

18 Great. Thank you.

19 So, as always, these proceedings will be
20 recorded by a court reporter and transcribed so please
21 speak clearly and carefully.

22 Any announcements, Mr. Lowe?

23 EXAMINER LOWE: No announcements this morning.

24 EXAMINER BRANCARD: Okay. We have a docket
25 that's up on our website, 18 cases. I will announce that

1 perhaps in the next week we, "we" being the Energy,
2 Minerals, Natural Resources Department, will get a new
3 website. So the content will be largely the same but
4 thing may be moved around a bit, and so when it happens
5 you may want to take some time to sort of figure out where
6 everything is. Hopefully we can deal with the glitches
7 when they happen.

8 So that is possibly going live mid next
9 week, just as a fair warning to everyone.

10 (Time noted 8:16 a.m.)

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1 STATE OF NEW MEXICO)
2 : SS
3 COUNTY OF TAOS)

5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday, June 17,
8 2021, the proceedings in the above-captioned matter were
9 taken before me; that I did report in stenographic
10 shorthand the proceedings set forth herein, and the
11 foregoing pages are a true and correct transcription to
12 the best of my ability and control.

13 I FURTHER CERTIFY that I am neither employed by
14 nor related to nor contracted with (unless excepted by the
15 rules) any of the parties or attorneys in this case, and
16 that I have no interest whatsoever in the final
17 disposition of this case in any court.

18 /s/ Mary Macfarlane
19 _____

20 MARY THERESE MACFARLANE, CCR
21 NM Certified Court Reporter No. 122
License Expires: 12/31/2021

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12.

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:

Application of Titus Oil & Gas
Production, LLC for approval of
Production Allocation,
Lea County, New Mexico

Case No. 21872

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, JUNE 17, 2021

This matter came on for hearing before the
New Mexico Oil Conservation Division, Legal
Examiner William Brancard, Technical Examiner
Leonard Lowe, on Thursday, June 17, 2021, via
the Webex virtual Conferencing platform.

Reported by: Mary Therese Macfarlane
New Mexico CCR No. 122
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(Time noted 10:47 a.m.)

EXAMINER BRANCARD: With that I will call our next Case 21872, Titus Oil & Gas, Montgomery & Andrews.

MS. SHAHEEN: Thank you, Mr. Examiner. Sharon Shaheen on behalf of the Applicant Titus Oil & Gas Production.

EXAMINER BRANCARD: All right. The Oil Conservation Division has entered an appearance.

MR. AMES: Good morning, Mr. Examiner. Eric Ames for the Oil Conservation Division.

EXAMINER BRANCARD: Thank you.

Are there any other interested persons in Case 21872?

MR. RANKIN: Good morning, Mr. Examiner. Adam Rankin within the lawfirm for Holland & Hart appearing on behalf of EOG Resources.

EXAMINER BRANCARD: Thank you. Had you filed an Entry of Appearance, Mr. Rankin?

MR. RANKIN: I believe we have, Mr. Examiner, but I will double check and confirm. If we have not, I'll make sure it has been filed through the portal.

EXAMINER BRANCARD: You're here. That's good.

Any other parties interested in Case 21872?

(Note: Pause.)

1 Hearing none, Ms. Shaheen you have
2 something interesting for us today, so let us hear what it
3 is.

4 MS. SHAHEEN: I will.

5 Titus seeks an Order approving the
6 production allocation of minerals in the Wolfcamp
7 Formation underlying a standard
8 280-acre horizontal spacing unit comprised of the east
9 half/east half of Section 29, and the northeast quarter,
10 the northeast quarter of Lot 1 on irregular Section 32,
11 Township 26 South, Range 35 East in Lea County, New
12 Mexico, in conjunction with Lot 1 of Irregular Section 25,
13 Lot C24 in Loving County, Texas.

14 The well will cross the New Mexico/Texas
15 border and it will produce in the Wolfcamp Formation on
16 both sides of the border, in Texas and in New Mexico.

17 We have submitted our exhibits, including
18 affidavits of the landman, the geologist and the engineer,
19 and we do have all of our witnesses here to stand for
20 questions. I can walk them through their affidavits, if
21 that would be helpful for the Division, or I can simply
22 ask that they be admitted into the record and then they
23 can stand for questions, whichever the Division prefers.

24 EXAMINER BRANCARD: Thank you.

25 Mr. Ames, what is OCD's position here

1 today?

2 You're muted.

3 MR. AMES: I only got the video on. Excuse me.

4 Mr. Hearing Examiner, the Division would
5 like to hear the testimony.

6 MS. SHAHEEN: Great. Thanks.

7 EXAMINER BRANCARD: Mr. Rankin, what is your
8 position in this case?

9 MR. RANKIN: Thank you, Mr. Examiner. At this
10 point EOG has no objection to the case proceeding, and is
11 merely preserving its rights in this case. Thank you.

12 EXAMINER BRANCARD: Okay. I'll just open up the
13 mic once again if there's anybody here from the Texas
14 Regulatory Authority. (Note: Pause.)

15 Hearing nothing, I guess you may proceed
16 with your witnesses, Ms. Shaheen.

17 MS. SHAHEEN: Thank you.

18 Mr. Jones are you on?

19 MR. JONES: Yes. Can you hear me?

20 MS. SHAHEEN: We can. Your video is showing us
21 that you are, but...

22 MR. JONES: Let's see here. I don't think you
23 want to see that. Here we go. Can you see me now.

24 MS. SHAHEEN: I can.

25 WALTER P. JONES,

1 having been duly sworn, testified as follows:

2 EXAMINER BRANCARD: Ms. Shaheen.

3 DIRECT EXAMINATION

4 BY MS. SHAHEEN:

5 Q. Mr. Jones, please state your full name for the
6 record.

7 A. Walter Park Jones.

8 Q. And you're appearing today as an expert in
9 petroleum land matters on behalf of Titus Oil & Gas
10 Production today; is that right?

11 A. That's correct.

12 Q. Have you previously testified before the
13 Division and had your testimony accepted of record as an
14 expert witness?

15 A. I have.

16 Q. And you've provided in your affidavit a summary
17 of your background; isn't that correct?

18 A. That's correct.

19 MS. SHAHEEN: With that, Mr. Examiner, I ask
20 that Mr. Jones be permitted to testify as an expert in
21 petroleum land matters in this matter.

22 EXAMINER BRANCARD: Are there any objections?

23 Hearing none, he's allowed to testify as an
24 expert.

25 MS. SHAHEEN: Thank you.

1 **Q. Turning to your affidavit at page 2, paragraph**
2 **5, could you describe for the Division the proposal that**
3 **Titus has made in this application.**

4 A. Yes. Titus is proposing the drilling of a
5 Wolfcamp Well, the El Campeon Fed Com 404H with a surface
6 location in Southern Lea County, particularly the surface
7 location will be 558 feet from the --

8 (Note: Sound freeze.)

9 EXAMINER BRANCARD: You froze there for a
10 second, so if you could start with that description of the
11 location again.

12 A. Yes. Sorry.

13 So our surface location will be in
14 Section 20 of 26 South, 35 East, and drilling south with
15 an anticipated proration unit being the east half of the
16 east half of Section 29, and the northeast of the
17 northeast in Lot 1 of the Irregular Section 32 in 26
18 South, 35 East, and the horizontal portion of the well
19 continuing into -- across the state line, the New
20 Mexico/Texas state line, and having a bottomhole located
21 in Lot 1 of the Irregular Section 25, Block C24 of Loving
22 County, Texas.

23 **Q. And Titus is the sole working interest owner in**
24 **the New Mexico portion of this proposed spacing unit; is**
25 **that correct?**

1 A. That's correct.

2 **Q. And on the Texas side who is the owner of those**
3 **minerals?**

4 A. OXY or Occidental Petroleum owns 100 percent of
5 the working interests.

6 **Q. And have they taken a position on this proposal?**

7 A. At this point they are not opposed, and we are
8 near execution of a JOA that will govern this proration
9 unit and the drilling of this well.

10 **Q. And they received Notice of this hearing today,**
11 **correct?**

12 A. They did.

13 **Q. And they didn't enter an appearance to protest**
14 **the application; is that correct?**

15 A. That's correct.

16 **Q. And they are aware of the proceeding in Texas as**
17 **well; is that correct?**

18 A. Yes, that's correct.

19 **Q. They attended that hearing, did they not?**

20 A. They did.

21 **Q. Is this proposed spacing unit a standard spacing**
22 **unit under New Mexico rules?**

23 A. Yes, I believe it is.

24 **Q. And that's because it consists of contiguous**
25 **40-acre tracts, each of which is penetrated by the**

1 **completed lateral, correct?**

2 A. Yes.

3 **Q. And that completed lateral also complies with**
4 **the standard setback in the statewide rules; is that**
5 **right?**

6 A. Yes.

7 **Q. And the proposed first and last take points also**
8 **satisfy the statewide setback requirements for oil wells,**
9 **correct?**

10 A. Correct.

11 **Q. And has Titus -- did Titus file an application**
12 **for a non-standard location?**

13 A. I believe we did, just for administrative notice
14 and just in the interests of keeping the process moving
15 along.

16 **Q. And to your knowledge no one has protested that**
17 **administrative application, have they?**

18 A. That's correct. I don't believe there's been
19 any protests.

20 **Q. Turning to your Exhibit A-1.**

21 A. Okay.

22 **Q. Can you describe for the hearing examiners what**
23 **we find here in Exhibit A-1.**

24 A. This is just a general location map where you
25 can find our proposed El Campeon well, just a zoomed-out

1 map showing where it is in real estate to both New Mexico
2 and Texas, and in particular the township it is located
3 in.

4 **Q. Thank you. And turning to your exhibit A-2, can**
5 **you please describe what we find there.**

6 A. These are the three tracts that will make up the
7 proposed proration unit. Tract 1, it just reflects that
8 Titus Oil & Gas owns 100 percent of both Tract 1 and Tract
9 2, the working interest; and OXY USA owns 100 percent of
10 the working interest of Tract 3.

11 **Q. And turning to Exhibit A-3, I believe this shows**
12 **us the leases that are in question.**

13 A. That's correct. That's correct. So in the east
14 half of the east half of Section 29, that's a federal
15 lease, BLM Lease No. NMNL12500 of the east half -- or I
16 should say the northeast quarter in Lot 1 of Section 32 is
17 covered by the State of New Mexico VB-2563, and then the
18 portion in Texas is fee minerals that's covered by fee
19 leases.

20 And then where it says Unit Ownership,
21 that's the breakdown of ownership, a blended breakdown of
22 ownership among the entire proration here, working
23 interest ownership.

24 **Q. And Exhibit A-4, can you take a look at Exhibit**
25 **A-4, please.**

1 A. Yes. This is the -- would be the contract area
2 and the interest owners under the contract area, and in
3 the associated -- more information about the associated
4 oil and gas leases.

5 **Q. And you have actually spoken with a number of**
6 **the mineral interest owners on the Texas side; isn't that**
7 **right?**

8 A. That's correct, I have. Thus far all
9 conversations have been very positive. They have been
10 very excited about the prospect of having their land
11 developed.

12 **Q. Turning to Exhibit A-5.**

13 A. This is a Draft C-102. It just reflects the
14 anticipated surface location and bottomhole location and
15 proration unit of the proposed well.

16 **Q. And this C-102 illustrates this is a standard**
17 **spacing unit and a standard location of a well under the**
18 **New Mexico Rules. Correct?**

19 A. Correct.

20 **Q. Turning to Exhibit A-6, this is the Notice**
21 **Letter that went out with the Application.**

22 **Taking a look at paragraph 19 of your**
23 **affidavit, how did you determine what parties should be --**
24 **should receive Notice of this application?**

25 A. We checked the public records and notified

1 all -- or collected that information of who the owners
2 were, provided that list to our attorney, who then
3 notified all the interested parties; mineral owners,
4 working interest owners, override owners. Everyone that
5 we could think of.

6 Q. And is it your understanding that the Division
7 recommended that we provide Notice to all parties who
8 would have been entitled to Notice if the proration unit
9 were non-standard?

10 A. Yes, that's correct.

11 Q. And in addition you sent Notice to your lessees,
12 the Bureau of Land Management and the New Mexico State
13 Land Office; is that right?

14 A. Yes.

15 Q. And neither of those parties have entered an
16 appearance in this case, correct?

17 A. That's correct. Not to my knowledge.

18 Q. And you have also -- you also sent Notice to the
19 Railroad Commission as well as the Texas Comptroller of
20 Public Accounts; is that right?

21 A. That's correct.

22 Q. Tell us a little bit about your discussions with
23 the Railroad Commission and the hearing that was
24 previously held there.

25 A. We had a very productive hearing. Obviously

1 this is something that's new for the Railroad Commission,
2 as it is for the Oil Conservation Division. And, yeah,
3 had a productive call. It's something they would like
4 us -- and they requested that we get a JOA in place with
5 OXY, and once we provide that, which again should be
6 happening, I anticipate, in the next week or two, that
7 they would proceed with their review. And as far as any
8 major issues or challenges, it did not seem like they had
9 any big concerns, just on a high level conceptually.

10 Q. And prior to the hearing held before the
11 Railroad Commission -- I'm taking a look at your paragraph
12 21 of your Affidavit -- Titus notified the Energy,
13 Minerals and Natural Resources Department, the New Mexico
14 Taxation and Revenue Department, the Bureau of Land
15 Management, both in Santa Fe and Hobbs, and the New Mexico
16 State Land Office of the hearing before the Railroad
17 Commission; is that correct?

18 A. Yes, that's correct.

19 Q. And OXY was also in attendance at that hearing,
20 right?

21 A. That's correct. They did attend. They had one
22 representative.

23 Q. And you attached a copy of the exhibits that
24 were submitted at the Railroad Commission as an exhibit to
25 this affidavit. I believe it's Exhibit A-7. Do you see

1 **that?**

2 A. Yes, I do.

3 Q. And in addition, for the Division's information,
4 you also attached an Exhibit A-8, which is the transcript
5 of the Railroad Commission hearing, right?

6 A. Yes.

7 Q. Turning back to Exhibit A-7, and the Exhibit
8 No. 2 in that package.

9 A. Uh-huh. Yes.

10 Q. If anyone is in dire need I can do a quick
11 search for a .pdf page.

12 This illustrates Titus' development plan
13 for Section 29, irregular Section 32 in New Mexico, and
14 their regular Section 25, Block C, Lot 24 in Texas; is
15 that correct?

16 A. It is. It's a representation really for these
17 wells. Their actual underlying, could be multiple, or
18 there will be multiple targets in each of these drilling
19 lanes or drilling slots, and that would be the anticipated
20 surface location. Actually, those are already approved.
21 A general location of the approved surface locations.

22 So these may not represent actual well
23 bores as they are planned, but it's a concept of the
24 drilling lanes.

25 Q. Going back to the acreage that will be developed

1 in New Mexico, about how many acres will that consist of?

2 And I'm looking now at your paragraph 22 of
3 your affidavit.

4 A. That's going to be -- I believe it's around 230.
5 Let's see.

6 Q. Actually, I may be referring you to the wrong
7 paragraph.

8 A. In this unit -- your question is how many acres
9 in this proposed well would be in New Mexico?

10 Q. Yes.

11 A. It's going to be 233.64 in New Mexico.

12 Q. And how many acres in Texas?

13 A. Approximately 49.2.

14 Q. And how does Titus propose to allocate
15 production between the two states?

16 A. We propose allocating based on the proration
17 unit, so just -- New Mexico would use their 40-acre
18 spacing and then just continue that down to the lease line
19 or the section line of Section 25, and allocating to each
20 tract its associated production based on the surface acres
21 in that proration unit.

22 Q. How does Texas allocate production?

23 A. Often they will do -- they'll do it both ways.
24 I've seen it done on a proration basis, meaning the
25 surface acres as part of the proration unit. It's not

1 uncommon to see it done on an actual completed
2 lateral-foot basis. So that would really come after the
3 fact, after the well has been drilled and completed. It's
4 a calculation of exactly how many perforations in each
5 individual tract.

6 **Q. And with respect to API numbers, what is your**
7 **understanding of how that would work in each state?**

8 A. So our understanding is that each state would
9 have -- the portion of each well, of the well's lateral,
10 would have its own dedicated API. So New Mexico would
11 have an API from the surface location to the state line,
12 and that would be its own New Mexico API; and then
13 starting at the state line to the terminus or the
14 bottomhole, that would have its own Texas API.

15 **Q. And all of the requisite information that must**
16 **be reported to the State would be allocated to each**
17 **State's API number, right?**

18 A. That's correct.

19 **Q. And what is Titus' understanding as to authority**
20 **over regulatory and environmental compliance between the**
21 **two states?**

22 A. Our understanding would be that because the
23 surface location is located in the State of New Mexico,
24 that they would have full oversight and authority in
25 oversight of the well.

1 **Q. Does Titus have a drilling permit for this well?**

2 A. We have an existing drilling permit that stops
3 at the state line, so there is an approved permit but it
4 does not go across the state line at this point.

5 **Q. And that's an approved permit from BLM, correct?**

6 A. That's correct.

7 **Q. Have you conferred with BLM about extending the
8 length of that lateral into Texas?**

9 A. We have spoken to the BLM. They don't foresee
10 that it would be a problem to simply sundry the existing
11 approved permit -- to sundry it to have a bottomhole in
12 Texas.

13 **Q. Can you tell us a little bit about your
14 conversations with the State Land Office about this
15 proposal?**

16 A. Yes. We've had a few conversations with the
17 State Land Office, the New Mexico State Land Office, and
18 they stand to benefit from -- it makes our project more
19 economically feasible and attractive...

20 EXAMINER BRANCARD: We seem to have lost
21 Mr. Jones.

22 MS. SHAHEEN Should I have him call in by
23 telephone? Would that be acceptable?

24 EXAMINER BRANCARD: Absolutely.

25 MS. SHAHEEN: Okay. Let me --

1 EXAMINER BRANCARD: He's back.

2 MS. SHAHEEN: Okay.

3 THE WITNESS: Sorry about that.

4 MS. SHAHEEN: Well, if it happens again, maybe
5 you could call in by telephone, if that's easier.

6 THE WITNESS: Okay. Yeah. Sure.

7 Sorry. I think I caught when I -- when it
8 dropped, but did you hear? Tell me where to continue.

9 MS. SHAHEEN: Yes. You were talking about your
10 conversations with the State Land Office and how this
11 proposal would be more attractive to the State Land
12 Office, and I believe you were going to tell us why.

13 A. Yeah. There's a couple of advantages. There
14 will be no new additional surface disturbance, meaning you
15 don't have to drill new wells in Texas. This is something
16 that -- just extending laterals enables us to more
17 efficiently develop, and it enables us -- there is going
18 to be less road traffic spread out amongst multiple
19 developments.

20 It also means more royalties for the State
21 of New Mexico.

22 And, you know, I think it's something that
23 because we're not using state surface and we're developing
24 state minerals, it enables us to potentially develop more,
25 just, state minerals; that it's something that they appear

1 to be, or sound to be, or seem to be on board with.

2 **Q. You have done a little bit of research recently**
3 **about other horizontal wells in the nation, in the country**
4 **that cross state boundaries, have you not?**

5 A. Yes, I have. I spoke with a representative at
6 CNX Energy, and they are a Marcellus Shale Company. They
7 have drilled wells with a surface location in Ohio and
8 bottomhole locations in West Virginia, and they did that a
9 few times.

10 I just kind of -- I talked to the landman
11 that oversaw the project and asked kind of what process
12 they went through. His feedback was that I believe
13 they -- just kind of similar to what we've done, they
14 permitted it, in that instance in Ohio, and then provided
15 or made the request to West Virginia to extend the
16 bottomhole into West Virginia. And west Virginia was on
17 board with that and allowed the permits to proceed, and
18 the wells have been drilled and are producing.

19 **Q. Going back just for a second to Exhibit A-7,**
20 **which is the exhibits that were submitted to the Railroad**
21 **Commission, in determining how production would be**
22 **allocated I believe you submitted a chart to the Railroad**
23 **Commission that was a comparison of allocation based on**
24 **surface acreage and allocation based on completed lateral.**
25 **It was Exhibit No. 8 for the Railroad Commission.**

1 **Do you have that?**

2 A. I do, yes.

3 **Q. And can you explain to the hearing examiners**
4 **what this comparison showed?**

5 A. Yes. So the way that we propose to handle the
6 allocation is shown on the left under Surface Acreage, so
7 that would be allocating production and royalties and
8 taxes and all of the associated items that come along with
9 production would be allocated as to the surface acreage
10 breakdown. So on the left side of that schedule you can
11 see New Mexico has the previously mentioned 233.64 gross
12 acres, which would make up 82.61 percent of this unit; and
13 Texas has 49.2, which makes up 17.39 percent of the unit.

14 And comparing that to allocating on a
15 completed lateral basis on the right side of the
16 schedule -- and this is actually an assumption.
17 Assumptions have to be made because the well has not been
18 drilled and the completions have not been performed, and
19 so generally if you're allocating on a completed lateral
20 basis it's a look-back, it's after the fact of actual
21 completion and perforations.

22 So with that understanding that this is an
23 estimate, the breakdown is that New Mexico would have
24 7,616.8 feet of completed or perforated lateral, which
25 makes up 84.34 percent, compared to Texas's 1,414.64,

1 which makes up approximately 15.66 percent of the -- if
2 you were to allocate in that manner.

3 Q. Thank you, Mr. Jones.

4 Is there any other direct testimony that
5 you would like to provide, any additional information that
6 you think the Division may like to know about with respect
7 to land?

8 A. No, there's not. I will say we would want to
9 hear from our engineer. He has to catch a flight shortly,
10 so maybe if he could go next, I guess.

11 MS. SHAHEEN: I think that would be fine.

12 Mr. Examiner, would that be acceptable to
13 you and to the Division and to Mr. Ames?

14 EXAMINER BRANCARD: Mr. Ames?

15 MR. AMES: Thank you, Mr. Hearing Examiner. I
16 do have some questions for Mr. Jones, but as long as
17 Mr. Jones remains available we would not object to another
18 witness proceeding.

19 THE WITNESS: Yes, I will remain available.

20 MS. SHAHEEN: Thank you.

21 EXAMINER BRANCARD: Mr. Rankin, were you looking
22 to ask questions?

23 MR. RANKIN: No, Mr. Brancard, not at this time.
24 No objection to Ms. Shaheen proceeding as she requested.

25 EXAMINER BRANCARD: Ms. Shaheen I think I agree

1 with Mr. Ames that if Mr. Jones is available for
2 questioning -- and frankly, to be recalled after we hear
3 from the State -- it may be helpful, just because we are
4 trying to get as much information out in this proceeding
5 as possible.

6 MS. SHAHEEN: I'm sure Mr. Hickey appreciates
7 being able to go early in this proceeding.

8 Mr. Hickey, are you on? Here we are.

9 MR. HICKEY: Yes, ma'am. This is Marshall
10 Hickey.

11 EXAMINER BRANCARD: Mr. Hickey.

12 MR. SHAHEEN: Should we swear him in?

13 EXAMINER BRANCARD: Yes. I need to get my
14 picture here.

15 MARSHALL HICKEY,
16 having been first duly sworn testified as follows:

17 EXAMINER BRANCARD: Please state your name.

18 THE WITNESS: I'm Marshall Hickey.

19 EXAMINER BRANCARD: Can you spell that last
20 name -- or both names, actually.

21 THE WITNESS: Yes, sir. M-a-r-s-h-a-l-l, last
22 name Hickey, H-i-c-k-e-y.

23 EXAMINER BRANCARD: Thank you. Ms. Shaheen.

24 DIRECT EXAMINATION

25 BY MS. SHAHEEN:

1 Q. Who are you employed with, Mr. Hickey?

2 A. Titus Oil & Gas.

3 Q. And you serve as the chief executive officer; is
4 that correct?

5 A. That's correct.

6 Q. I understand you have not previously testified
7 before the Division, but you do have some credentials to
8 offer.

9 Could you please summarize your experience
10 and education, which you can find in paragraph 3 of your
11 affidavit.

12 Q. Yes, ma'am. I am an engineer, petroleum
13 engineer from the University of Texas, graduated with
14 Honors. After undergraduate school I went to work for
15 Marathon Oil Company, where I worked in a variety of
16 engineering roles, including as a completions engineer in
17 the Eagle Ford, and as a reservoir engineer covering the
18 Permian Basin, amongst other areas.

19 I have also worked for EnCap Investments,
20 LLC, who is a capital provider in the energy space, as an
21 engineer focused on valuation.

22 And since 2017 I have been chief executive
23 officer at Titus Oil & Gas and served as the primary
24 reservoir engineer for the company until late 2020 when we
25 hired a new reservoir engineer.

1 Q. Thank you, Mr. Hickey.

2 And with that summary of education and
3 experience, I would ask the Division to allow Mr. Hickey
4 to testify as an expert in petroleum engineering matters.

5 EXAMINER BRANCARD: Thank you. Are there any
6 objections to Mr. Hickey testifying as an expert? (Note:
7 Pause.) Hearing none, Mr. Hickey is admitted as an expert
8 in these matters.

9 Q. Mr. Hickey, I understand that you have taken a
10 look at the engineering and economics of drilling here
11 with respect to -- particularly with respect to
12 irregular-shaped Section 25 in Loving County, Texas. I'm
13 looking at paragraphs 4, 5 and 6.

14 Can you summarize your conclusions in light
15 of your analysis of these issues.

16 A. Yes, ma'am. Section 25 in Loving County, Texas,
17 is an irregular-shaped section in the form of a polygon,
18 with the longest distance from one side to the other of
19 that section being in the east/west direction. The
20 primary maximum stress in this area is undoubtedly
21 east/west, therefore drilling should take place in a
22 north/south direction, such that the fractures can
23 propagate in the east/west direction, and be prop'd
24 against the minimum stress which is north/south.

25 That has been shown by, I believe, every

1 single operator in the area. I'm not aware of any
2 east/west laterals in the entire area.

3 Furthermore, Titus's lease is such that
4 longer laterals, because this is the deepest,
5 highest-pressure part of the Delaware Basin, will increase
6 and enhance economics, allowing for proper development and
7 more reserve recovery.

8 **Q. And what is the likelihood of development in**
9 **that irregular-shaped Section 25 in Texas if these**
10 **laterals aren't drilled into Texas?**

11 A. Very low.

12 **Q. And why is that?**

13 A. It's due to that stress direction. So fractures
14 cannot propagate in the proper direction and therefore
15 recovery would be very low, the wells would be likely very
16 poor performers, and therefore the wells likely do not get
17 drilled, evidenced by the fact that they have not been
18 drilled to date, and there are no other east/west wells,
19 to my knowledge, in the area.

20 **Q. And did you also determine that the proposed**
21 **development across the state line will result in more**
22 **recoverable hydrocarbons in New Mexico?**

23 A. Yes, ma'am, it will because we can justify the
24 development of additional wells.

25 **Q. Do you have any other information that you'd**

1 **like to share with the Division today?**

2 A. No, ma'am, I do not.

3 MS. SHAHEEN: Thank you, Mr. Hickey.

4 I pass the witness.

5 EXAMINER BRANCARD: Thank you.

6 Mr. Ames, any questions of this witness?

7 MR. AMES: One moment. My video is doing
8 something.

9 Thank you, Mr. Examiner. Yes, I do have
10 maybe one or two questions of Mr. Hickey.

11 EXAMINER BRANCARD: You may proceed.

12 MR. AMES: Thank you.

13 CROSS-EXAMINATION

14 BY MR. AMES:

15 **Q. Good morning, Mr. Hickey.**

16 A. Good morning.

17 **Q. You just testified that drilling this well would**
18 **result in more recoverable hydrocarbons; is that correct?**

19 A. That's correct. It is our intention that we
20 would drill additional wells across the state line once we
21 are able to drill this well.

22 **Q. So drilling this well would result in more wells**
23 **recovering more hydrocarbons in Texas; is that correct?**

24 A. In both Texas and New Mexico.

25 **Q. How would drilling this well into Texas result**

1 **in more recoverable hydrocarbons in New Mexico?**

2 A. Because to the extent we can continue to drill
3 wells from New Mexico into Texas we will be able to
4 economically justify more wells than we otherwise would be
5 able to.

6 MR. AMES: Okay. Thank you.

7 THE WITNESS: You're welcome.

8 MS. SHAHEEN: If I may follow up with one
9 redirect question.

10 EXAMINER BRANCARD: Let me just check and see if
11 Mr. Rankin has any questions.

12 MR. RANKIN: Mr. Hearing Examiner, no questions,
13 as I find my unmute button. No questions.

14 EXAMINER BRANCARD: Thank you.

15 Mr. Garcia, do you have questions?

16 MR. GARCIA: I do.

17 I'm going to ask Mr. Jones --

18 EXAMINER BRANCARD: Mr. Garcia, we can barely
19 hear you, and we can't see you, more importantly.

20 We just see the board room.

21 MR. GARCIA: Is that better now?

22 EXAMINER BRANCARD: Yes.

23 MR. GARCIA: Okay. I changed the microphone.

24 CROSS EXAMINATION

25 BY EXAMINER GARCIA:

1 Q. I was going to ask Mr. Jones, so maybe you can
2 help answer: If OXY doesn't execute the JOA, would those
3 wells still be drilled.

4 A. No.

5 MR. GARCIA: Okay. And then I think that's
6 about it. I didn't have too many questions on
7 engineering.

8 That's all I have.

9 EXAMINER BRANCARD: Thank you.

10 Ms. Shaheen, you had some redirect?

11 MS. SHAHEEN: I just wanted to make one
12 clarification. I'm no engineer, I'll start with that.

13 REDIRECT EXAMINATION

14 BY MS. SHAHEEN:

15 Q. But my understanding is one of reasons there
16 will be more recoverable hydrocarbons in New Mexico is
17 because the completed lateral will go all the way to and
18 across the state line, so it's not going to be 100 feet
19 from the Texas state line, and in that sense there will be
20 more recoverable hydrocarbons in New Mexico because the
21 completed lateral goes all the way to the state line.

22 Is that fair to say?

23 A. Yes, that is correct. I did not intentionally
24 omit that. That is correct.

25 MS. SHAHEEN: Thank you, Mr. Hickey.

1 No further questions from me.

2 EXAMINER BRANCARD: Thank you.

3 Seeing no further questions, Mr. Hickey you
4 are free to go.

5 THE WITNESS: Thank you.

6 EXAMINER BRANCARD: Okay. How would we like to
7 proceed here? Do we want to go back to questioning
8 Mr. Jones?

9 Yes? I guess I see a nod from Mr. Ames.

10 So are you in position, Mr. Jones?

11 MR. JONES: I am.

12 EXAMINER BRANCARD: Thank you. So we will
13 return to questioning of Mr. Jones.

14 Mr. Ames. You're muted, Mr. Ames.

15 MR. AMES: That's the reason Mr. Jones wasn't
16 answering my greeting.

17 WALTER P. JONES,
18 previously sworn, testified further as follows:

19 CROSS-EXAMINATION

20 BY MR. AMES:

21 **Q. Good morning.**

22 A. Good morning.

23 **Q. I just have a few questions for you?**

24 **Titus, as I understand your written**
25 **testimony, because I didn't actually hear you say it**

1 earlier, is the sole working interest owner in the New
2 Mexico acreage; is that correct?

3 A. That's correct.

4 Q. And the BLM has already approved a permit to
5 drill the El Campeon well?

6 A. They have, that would stop at the state line.

7 Q. So the federal government has already approved a
8 1.5-mile lateral; is that correct?

9 A. That's correct.

10 Q. And that 1.5-mile lateral is all in New Mexico?

11 A. Yes.

12 Q. So that well could be drilled.

13 A. It could be drilled, yes.

14 Q. Okay. You indicated that, uh, there's -- some
15 of the acreage in New Mexico is State Trust land; is that
16 right?

17 A. That's correct. Section 32.

18 Q. And Titus has consulted with the State Land
19 Office, I believe.

20 A. Yes. We had a meeting with them, yes, but we
21 don't have any agreement in place or anything; they wanted
22 to wait until we get everything cleared through the OCD.
23 But yes, we've had conversations with them.

24 Q. I believe you indicated that the -- you didn't
25 say it this clearly but I think you indicated that the

1 **State Land Office was looking favorably at Titus'**
2 **proposal. Is that correct?**

3 A. That's just my interpretation of it. I can't
4 really speak to exactly, you know, where they are
5 currently, but just judging by feedback, questions, uhm --
6 on a broader project, the scope of this project, in other
7 words future wells, future development, the State of New
8 Mexico and the Trust lands in particular stand to benefit
9 significantly from more economic wells for Titus, and so
10 in that regard I believe that that is something that they
11 would like to have more royalty, more -- you know, for the
12 State of New Mexico.

13 Q. So it's just your feeling, though, because the
14 **State Land Office actually hasn't said that to Titus; is**
15 **that right?**

16 A. That's correct.

17 Q. Thank --

18 A. They have not.

19 Q. Thank you. Sorry. I didn't mean to interrupt
20 you.

21 And as I see in paragraph 26 of your
22 testimony it says Titus has conferred with the Land Office
23 but it doesn't say anything in there about what the State
24 Land Office has told Titus regarding its proposal.
25 Correct?

1 A. That's correct.

2 Q. So I believe Ms. Shaheen asked you whether
3 Titus' proposal to drill into Texas made the El Campeon
4 well more feasible and attractive to the State Land
5 Office. And I don't think -- it sounded to me like your
6 answer was it made it more attractive to Titus. Did you
7 actually mean to say that drilling into Texas made the El
8 Campeon well more feasible and attractive to the State
9 Land Office?

10 A. Well, not in exclusion of it being more
11 attractive to Titus.

12 I do believe that just having more treated
13 laterals. So instead of us having to stop our
14 perforations For our completion process, as it currently
15 stands we would have to leave the last 100 feet of the
16 wellbore uncompleted to stay away from -- or to observe
17 the necessary setback per the OCD rules, so we would have
18 to stop our lateral 100 feet from the state line, which
19 that is State of New Mexico minerals. So that would be
20 100 feet of uncompleted minerals.

21 So by way of extending the laterals,
22 drilling across the state line, we are then able to
23 perforate and complete and produce that additional 100
24 feet of state minerals.

25 Q. Okay. So I'd like to talk about this a little

1 bit more, because I'm having a little hard time
2 understanding it.

3 My question is: How does drilling lands in
4 Texas benefit the State of New Mexico?

5 And I think one thing you just offered the
6 extra 100 feet of wellbore, and I believe Mr. Hickey
7 indicated that if Titus was able to drill into Texas for
8 the El Campeon it would be able to pursue a similar
9 strategy for other wells, which would ultimately benefit
10 the State of New Mexico.

11 Is that essentially Titus' position on the
12 extent of the benefit to New Mexico of drilling into
13 Texas?

14 A. Yes, that's correct.

15 So if we are able to not only have this
16 well be approved but we do have future plans for multiple
17 future wells, that some of the wells and their economic
18 feasibility, they're not feasible apart from crossing --
19 having longer laterals. And in order to have longer
20 laterals, in this instance because we're up against the
21 state line we would need to drill into Texas.

22 So the State of New Mexico and how it sees
23 benefit is that you're basically opening up more
24 development than otherwise would be available, at least
25 from Titus' perspective.

1 Q. Okay. So the focus of this particular hearing
2 is the El Campeon well, correct?

3 A. That's correct.

4 Q. So let's put aside the rest of Titus' program.

5 If I understand correctly, the argument for
6 prevention of waste here is the stranding of 100 feet of
7 wellbore in New Mexico if Titus were not authorized to
8 drill into Texas. Is that correct?

9 A. Uh, yes, I believe that's correct.

10 Q. Okay. Thank you. All right.

11 Back to that tricky JOA. I believe you
12 testified that it's very near execution with OXY. Is that
13 correct?

14 A. That's correct.

15 Q. What is the deadline set by Texas to execute
16 that JOA?

17 A. We had a hearing on April 13th with the Railroad
18 Commission and they gave us 90 days from April 13th. So
19 it should be around July 12th, I believe.

20 Q. Sounds about right.

21 What happens to the Texas case if Titus is
22 unable to execute a JOA with OXY?

23 A. If it's -- do you mean that the execution is
24 delayed further or OXY actually says no?

25 Q. Both.

1 A. I believe if OXY says no, then we would drop
2 our -- the project. You know, this is not -- we wouldn't
3 continue to pursue it. That feels very unlikely based on
4 my conversations with OXY.

5 As far as delay, I've been advised by our
6 Texas regulatory attorney that he feels like we could get
7 an extension, if necessary.

8 So it would not be a drop -- I don't
9 anticipate it being a mid July drop-dead date as far as
10 the Railroad Commission is concerned.

11 **Q. Titus has drilled other horizontal wells in New**
12 **Mexico, right?**

13 A. We have.

14 **Q. How many of those are 1-1/2-mile laterals?**

15 A. I believe we are drilling our first -- we
16 drilled five 2-mile -- actually that's not true. We
17 drilled eight 2-mile and -- 2-mile wells in New Mexico,
18 and we are currently drilling our first
19 one-and-a-half-mile pad. So there would be multiple wells
20 on the pad.

21 **Q. Do you have any one-mile?**

22 A. Uhm, trying to make sure here. We do in Texas
23 but I do not believe we do in New Mexico.

24 **Q. How many one-mile laterals do you have in all of**
25 **Titus' holdings?**

1 A. I believe it's 10.

2 Q. How about 1 1/2?

3 A. 1 1/2 we are currently drilling our first
4 three-well pad of 1 1/2 milers.

5 Q. Do you remember the name of the well family?

6 A. Cattleman, C-a-t-t-l-e-m-a-n, one word.

7 Q. All right. Thank you. Let's see.

8 You testified that you spoke to a company
9 that had drilled from Ohio, and I think you said into West
10 Virginia. Is that right?

11 A. That's correct.

12 Q. When you started that sentence I missed the name
13 of the company. Could you say it again?

14 A. Yes. It's CNX.

15 Q. CNX?

16 A. Yes. I believe they are based in Pittsburgh,
17 but a quick Google search could help you figure out where
18 they are based.

19 Q. When did you talk to them?

20 A. It would have been last week.

21 Q. And when did they -- and how many wells did they
22 drill?

23 A. I'm not sure, to be honest. I was just looking
24 on a map. I believe it was maybe three to five wells. It
25 looked like one project, but as it was showing on the map

1 it was hard to differentiate exactly how many wells were
2 drilled versus permitted.

3 Q. When did they do this?

4 A. I believe that this was in 2017.

5 Q. Do you have the name of a contact at CNX? The
6 person you spoke with.

7 A. I do. Let me see if I could...

8 His name is --

9 Q. I will --

10 A. Sorry.

11 Q. Go ahead. Please go ahead.

12 A. All right. His name is Dan Bitz.

13 Q. Do you have a telephone number for him?

14 A. You know, I actually don't. I do have an email
15 that I can provide after the hearing, if you would like.

16 Q. That would be appreciated. You could provide it
17 to Ms. Shaheen, and she and I can speak. That would be
18 great. Thank you.

19 A. Okay.

20 Q. You said that the wells were drilled in Ohio
21 into West Virginia, but your testimony says West Virginia
22 and Pennsylvania. Which is it?

23 A. You know what, I may have misspoken.

24 I do believe that it was, the surface
25 locations were Pennsylvania and the bottomholes were West

1 Virginia. I know the bottomhole locations were West
2 Virginia.

3 It kind of -- if you look at a map, it --
4 the three states get -- it kind of sandwiches together,
5 and West Virginia kind of bisects Ohio and Pennsylvania.

6 So it's very close. I could look into
7 that, and when I provide you his contact information I
8 could more particularly describe those wells for you.

9 Q. Okay. And in paragraph 27 you say that upon
10 information and belief the states did not enter into an
11 MOU or other agreement.

12 That's based on Mr. Bitz' representation to
13 you and not on your own investigation; is that correct?

14 A. That's correct. I also spoke with another
15 representative, that has not done this but they were
16 looking into it in the Marcellus, and they were not aware
17 of any Memorandum of Understanding or any other agreement
18 between the states.

19 Q. Okay. Thank you.

20 Paragraph 24 you state that Titus
21 anticipates the states will confer after permits are
22 approved by each state to determine how authority or
23 regulatory compliance will be allocated.

24 Who for the State of New Mexico told you
25 that, or anything like that, that would allow you to

1 **testify that Titus anticipates that the State would issue**
2 **a permit before it negotiated an MOU?**

3 A. Uhm, I'm not sure where that came from. I
4 guess -- I think it was more of my own -- my thought
5 process in how this would play out is that the regulatory
6 bodies -- we need to take to the full end regulatory
7 approvals, and then if there are any conditions to those
8 approvals, so any conditions to approval of the well
9 permits, that those could be worked out after the fact.

10 But it kind of feels like neither -- each
11 state wants the other to be on board before proceeding, so
12 in my mind that would mean approved permits with necessary
13 conditions of approval, if that's needed, if the
14 regulatory body feel that's needed, but once those permits
15 are in place the two regulatory bodies could begin
16 whatever discussions they need to have.

17 **Q. So would it be fair to say that Titus would like**
18 **the state to issue the permits and then negotiate the MOU,**
19 **rather than OCD having told Titus that's how it would**
20 **proceed. Is that correct?**

21 A. Yes, I believe that's fair.

22 **Q. Thank you.**

23 A. I apologize if that is the way it was perceived.
24 That wasn't the intention.

25 MR. AMES: Thank you. I appreciate your

1 clarification. I don't have any further questions.

2 Mr. Jones, thank you.

3 THE WITNESS: Thank you.

4 EXAMINER BRANCARD: Thank you.

5 Mr. Rankin, did you have any questions of
6 this witness?

7 MR. RANKIN: I have no questions for Mr. Jones.
8 Thank you.

9 EXAMINER GARCIA: Mr. Garcia.

10 MR. GARCIA: I have a few.

11 CROSS EXAMINATION

12 BY MR. GARCIA:

13 Q. Mr. Jones when you spoke to the State Land
14 Office, did they have any views on the surface allocation
15 versus completed allocation?

16 A. They asked some questions about it. As I
17 recall, I provided the same breakdown that I discussed
18 earlier. I don't think that they -- at least from my --
19 the way -- my interpretation of the conversation is that I
20 don't think they had made a decision on what they
21 necessarily preferred.

22 Q. Okay. The reason I ask -- and I guess your
23 views are the numbers -- that's a 2 percent difference,
24 roughly. I know the completed can change. But Titus says
25 they may drill four wells, or it could be five, could be

1 100. Other operators can try to drill more wells. So
2 that 2 percent, I mean, could add up to be significant on
3 the numbers once you start looking at, say, 100 wells.

4 So what are your views on completed versus
5 lateral, or surface versus completed length?

6 A. So if we are talking about future development
7 more on a project-based scope, the proration number versus
8 completed lateral, because it's a trapezoid in Texas it
9 tends to -- it can flow. You know, that number can
10 benefit, if we want to call it "benefit" one state in one
11 proration unit and then a different state in the next. So
12 it isn't a ubiquitous 2 percent spread across the entire
13 project. It actually changes as you continue to develop
14 on the broader scale.

15 So I haven't -- sorry. Go ahead.

16 Q. In this case the trapezoid would be essentially
17 the same directin the whole way if we went east. If we
18 know they were both east it would be 2 percent consistent
19 one direction. It wouldn't change until we get mid
20 Section 31, which according to some of these exhibits have
21 wells drilled in, so we won't worry about that.

22 The exhibits show four or five wells being
23 drilled in, they would all be 2 percent one way or the
24 other.

25 A. I believe -- it could be loosely that.

1 Because these are irregular tracts, we
2 don't -- I just can't speak to it until we actually go and
3 send a surveyor out there.

4 **Q. Okay. And the next question is just more for**
5 **clarity for me.**

6 I believe you said since surface hole
7 location is in New Mexico, you may have said OCD would
8 basically fall under a jurisdiction of (inaudible). So
9 things for like sundries or (inaudible), anything like
10 that, would you send sundries to both states of just OCD,
11 just BLM?

12 A. Our plan would be to send to all parties. Now,
13 as far as who would actually oversee the surface, that
14 would be New Mexico, the State of New Mexico. And of
15 course this is just my -- to me this is what makes sense
16 to me, so I cannot speak for the states -- you know, on
17 their behalf. But to me it makes sense that the surface
18 location, because it's located in New Mexico, that is who
19 is overseeing that.

20 As far as reporting, we would report to all
21 necessary entities, being the State of New Mexico, the
22 State of Texas, the BLM, because these are federal wells.
23 So everybody would be -- there would be a lot more
24 reporting on that end, but we are okay with doing that.

25 **Q. Okay. But a scenario I'm triggered on, like**

1 **Something happens to Titus, bankruptcy, et cetera, do you**
2 **think it would be OCD's job to plug wells, or Texas?**

3 A. Well, if something were to happen, I mean I
4 think we are bonded for that, so I believe, you know,
5 anything as far as plugging liability, that's something
6 that's addressed in other matters, or in other ways, as
7 being an operator in New Mexico.

8 So I do believe that we would fall under
9 that.

10 **Q. Okay. I think one last question.**

11 **Mr. Hickey had said that if OXY doesn't**
12 **execute the JOA, these wells likely would not be drilled.**
13 **Is that due to economics?**

14 A. This well -- I mean, he's our CEO, so he has
15 more of an economic high-level view.

16 This particular well, it's likely to be
17 drilled even if we had to stop at the state line, but the
18 larger, broader project, which could be upward of 40
19 wells, there could be half of those wells that are not
20 economically viable if we are not able to drill across the
21 state line.

22 **Q. Are those 40 wells roughly the same area?**

23 A. Yes, it's right here. It all includes this one
24 section in Texas, Section 25.

25 **Q. What would stop the other wells from drilling**

1 more north into New Mexico? Because Exhibit B-3, this
2 Section 20/21 -- and I can't see, 19 maybe -- they are
3 pretty much wide open according to these exhibits.
4 There's very little development there.

5 A. Sorry, sir. Could you repeat the question.

6 Q. What would stop those wells from just being
7 drilled more in New Mexico? Because you could drill a
8 two-and-a-half-mile in New Mexico, according to these
9 exhibits, because there's no development in those
10 sections, at all, north of this well.

11 A. So in the westernmost lane of Section 20 up to
12 the north there is an existing well, the Grevey well, that
13 actually has a terminus in the west half of the northwest
14 of Section 29, so it kind of cuts down through there.

15 And then as far as further development
16 moving east in Section 29 and 32 and Section 20, those
17 are -- this is part of the larger development plan for
18 Titus that has 1-1/2-milers, two additional
19 one-and-a-half-mile development lanes.

20 So, you know, we are trying to maximize
21 longer laterals. So this doesn't exist in a vacuum. It's
22 part of the larger development plan for us.

23 MR. GARCIA: I think that's all my questions.

24 Thank you.

25 THE WITNESS: Thank you.

1 CROSS-EXAMINATION

2 BY EXAMINER BRANCARD:

3 Q. Mr. Jones, I'm a little confused. Is the State
4 Land Office acreage unleased?

5 A. It's not. We had it under lease. It's been
6 extended by the State Land Office.

7 Q. Okay. So you have a lease from the State Land
8 Office for that section, that irregular section.

9 A. That's correct, Section 32.

10 EXAMINER BRANCARD: Okay. All right. I have a
11 lot more questions but they are more higher level that I
12 think I'll direct at the attorneys.

13 But I believe Mr. Lowe has some questions.

14 CROSS-EXAMINATION

15 BY EXAMINER LOWE:

16 Q. Good morning, Mr. Jones. This is Leonard Lowe
17 with the Oil Conservation Division.

18 A. Good morning.

19 Q. I have a question pertaining to your, uhm -- you
20 have a well question here.

21 The C-102 on page 19 of your exhibits, and
22 I think it was presented in all this testimony that your
23 acreage that you're seeking for this horizontal spacing
24 unit is approximately 280 acres, give or take due to the
25 irregular section.

1 I have an NSL application for this well and
2 I'm not too sure how we are going to be processing this as
3 far as recognizing the spacing unit in New Mexico. So I'm
4 going to have to get with the districts to find out
5 exactly how we can move forward on the C-102 as how it's
6 annotated currently, how it is, because now it's the
7 entire acreage for the well, and I'm not sure if we are
8 going to have to change that to reflect only the spacing
9 unit that's in New Mexico.

10 But I just wanted to clarify: In your
11 exhibits here, is there -- is it noted anywhere in your
12 exhibits the entire acreage for the New Mexico side of
13 horizontal spacing unit of, I think you said, 233.64
14 acres? Is that correct?

15 A. That's correct. I'm not sure -- well, I mean I
16 have -- it is noted in the Railroad Commission, as far as
17 their exhibits. I don't know if that, you know, is
18 sufficient for you guys. That was one of the exhibits
19 that Sharon pointed out and I discussed.

20 Let me see if I can -- sorry, I've got a
21 lot of papers here.

22 Q. Okay. Yeah. I just wanted to make sure if it's
23 noted anywhere in the exhibits of the spacing unit that's
24 in New Mexico. Because that's pretty much what I
25 calculated on my side, but the NSL application that was

1 submitted references the entire spacing unit, which isn't
2 bad but it won't reflect on what our NSL application is
3 meant for. So I'm going to have to maybe get with the
4 districts, the Hobbs District to verify and clarify that,
5 and then, if I need to, I will request Ms. Shaheen to
6 update the C-102 for the NSL application.

7 But I will probably get to that when I
8 discuss with the districts.

9 A. Okay. Yeah, we would be happy to provide you
10 with whatever information would be helpful.

11 Yeah, you know, I don't think that the
12 C-102 is -- necessarily calls that out, so if we need to
13 add that, we can.

14 Q. Another question. Just curious to know how this
15 would work under this scenario. How would the bonds work
16 out under this scenario for New Mexico and Texas?

17 A. Our plan -- we are an operator. I think one
18 thing that is beneficial for us in pursuing this project,
19 is that we operate multiple horizontal wells in both Texas
20 and New Mexico, so we are obviously going to bond it
21 accordingly for each state.

22 If there are additional bonds that would be
23 requested, that's certainly a discussion we could have,
24 but as far as Titus Oil & Gas Production, we are properly
25 bonded in both states.

1 Q. Okay. I was just wondering how this is going to
2 work in the future, as far as, say, people go -- companies
3 go bankrupt and we are all not in the OCD; on our side, we
4 are not there no more.

5 I'm thinking something needs to be put in
6 the Order to indicate how we are going to close this well
7 as far as communication between Texas and New Mexico,
8 because I've seen a lot of Orders and different factions
9 that have loose ends, and when New Mexico has to P&A a
10 well, uhm, there is what we could have found in closure
11 for a well.

12 So I think unless that's already been in
13 motion or verified or put forth from Texas and our New
14 Mexico side.

15 But I think that might need to be noted
16 just to verify in 20 years how we are going to close this
17 well, and we make sure our communications are all there.

18 That's all I have for questions for now.
19 Thank you.

20 THE WITNESS: Thank you.

21 EXAMINER BRANCARD: Thank you.

22 Ms. Shaheen, I'm looking to take a break
23 here. Did you want to do any redirect of Mr. Jones?

24 MS. SHAHEEN: I don't have any more Redirect for
25 Mr. Jones. I'm just assuming we will go forward with Mr.

1 Brierson after the break.

2 EXAMINER BRANCARD: So you do have another
3 witness.

4 MS. SHAHEEN: We do have a geologist.

5 EXAMINER BRANCARD: Mr. Ames, do you have any
6 witnesses?

7 MR. AMES: No. Mr. Brancard, we do not. We did
8 not file a Prehearing Statement. We have no witnesses.

9 EXAMINER BRANCARD: Thank you. So we are going
10 to take a break until 11:15 here and then continue with
11 the witnesses for Titus.

12 MS. SHAHEEN: Thank you.

13 (Note: In recess from 11:08 a.m. to 11:17 a.m.)

14 EXAMINER BRANCARD: Ms. Shaheen, are you ready
15 to proceed?

16 Obviously not, because you're muted.

17 MS. SHAHEEN: How about now?

18 EXAMINER BRANCARD: Now you're fine. Thank you.

19 MS. SHAHEEN: Okay.

20 EXAMINER BRANCARD: We are back on the record in
21 Case 21872, Application of Titus Oil & Gas.

22 Ms. Shaheen, I believe you had another
23 witness.

24 MS. SHAHEEN: Yes, we do. We have our geologist
25 Allen Frierson. I'm hoping he is there in Mr. Jones'

1 office or nearby.

2 There he is.

3 MR. FRIERSON: I'm here.

4 EXAMINER BRANCARD: All Right.

5 ALLEN FRIERSON,

6 having been duly sworn, testified as follows:

7 DIRECT EXAMINATION

8 BY MS. SHAHEEN:

9 Q. Mr. Frierson, can you please state your full
10 name for the record.

11 A. Allen Frierson.

12 Q. And who are you employed by?

13 A. Titus Oil & Gas.

14 Q. And what is your position there?

15 A. Vice President of Geology.

16 Q. And you're a petroleum geologist by trade,
17 correct?

18 A. That is correct.

19 Q. And you have previously testified before the
20 Division and had your credentials accepted as an expert;
21 is that correct?

22 A. Correct. That is correct.

23 Q. We have provided a summary of your experience
24 and education in paragraph 3 of your affidavit.

25 A. Sure. My education -- oh, sorry.

1 **Q. No, I'm sorry. I just wanted you to acknowledge**
2 **that it's there. If Mr. Brancard or someone else from the**
3 **Division wants to hear it all again, they can ask for it.**

4 **But it's there, right?**

5 **A. Correct.**

6 **Q. Okay. Thank you.**

7 **Turning to your Exhibit B-1, can you**
8 **describe what you provided here in Exhibit B-1.**

9 **A. Sure. This is just a summary of the request on**
10 **behalf of Titus Oil & Gas seeking an Order from the**
11 **Division approving the production allocation of minerals**
12 **in the Wolfcamp Formation at the previously mentioned**
13 **location. The dedicated well will be the El Campeon Fed**
14 **Com 404H to be drilled from the surface hole location**
15 **previously described in Section 20 of Township 26 South,**
16 **Range 35 East in Lea County, to an approximate bottomhole**
17 **location 10 feet from the south line and 1912 feet from**
18 **the east side of Section 25, Box C24 in Loving County.**

19 **The proposed well will target the Wolfcamp**
20 **A Shale at an approximate true vertical depth of 12,581**
21 **feet. The well will be drilled from north to south for**
22 **the reasons previously stated by Mr. Hickey, and the**
23 **following exhibits provide more detail on that.**

24 **Q. And turning to Exhibit B-2, just briefly**
25 **describe what we have provided to the Division here.**

1 A. Exhibit B-2 is just a general Locator Map with
2 the location of the proposed horizontal spacing unit
3 outlined by a red dashed line and the location of a
4 two-well cross section, which I will explain later,
5 denoted by a blue line going from A to A prime from the
6 northwest to; the southeast direction, including the
7 Beckham 19-1 and the Sorrel Horse 1 wells.

8 **Q. And turning to Exhibit B-3.**

9 A. B-3 is just a zoomed-in version of the previous
10 exhibit with the addition of the approximate location of
11 the proposed El Campeon Fed Com 404H wellbore.

12 **Q. And I believe Exhibit B-4 is a Wolfcamp**
13 **Structure Map. Could you tell us a little bit about that.**

14 A. That is correct. The structure contours are the
15 green lines in the map, with the corresponding subsea TVDs
16 labeled. The cross section is also again displayed on
17 this map, and it's worth mentioning that the contour lines
18 in green are generated using the values denoted in pink or
19 dark red there from the nearby well control.

20 In this particular drilling unit there's
21 monoclinial dip to the west. It's not suggestive of any
22 faulting in the area so rather benign structurally.

23 **Q. And turning to Exhibit B-5, we have your Isopach**
24 **Map here?**

25 A. That's correct. Exhibit B-5 is an Isopach Map

1 of the Wolfcamp area, or a thickness map. The contour
2 intervals are 10 feet, and the proposed wellbore here
3 would just suggest that the thickness of the Wolfcamp A is
4 consistently greater than 300 feet from surface hole
5 location to bottomhole location.

6 **Q. And that would be in both New Mexico and Texas,**
7 **correct?**

8 A. That's correct.

9 **Q. Turning now to your Exhibit B, can you tell us**
10 **about your cross section.**

11 A. Sure. This is a (inaudible) cross section with
12 the wells at the northwest, the Beckham 19-1 being closer
13 to A and on the left-hand side, and then the well down in
14 Texas in Block C24 of Section 13, being split on the
15 right-hand side of the cross section.

16 This is shown to just provide some clarity
17 as to the consistency of the reservoir going from New
18 Mexico into Texas. The logs displayed are your basic
19 triple combo logs that are used to analyze and identify,
20 quote/unquote "pay" within the reservoirs, and what this
21 shows is if you -- from the Wolfcamp in shorthand the WFMP
22 top down through the WFMP_200 top of the Wolfcamp B, that
23 the proposed linal (phonetic) target denoted by the blue
24 on the left-hand side of the image is where this potential
25 El Campeon Fed Com 404H wellbore would land, and held that

1 faces (phonetic) is consistent from New Mexico, which
2 would be represented by the log on the left, moving into
3 Texas which is represented by the log on the right.

4 **Q. Finally turning to your Exhibit B-7, I believe**
5 **you have a gunbarrel diagram here.**

6 A. That's correct. This is just a representative
7 or illustration of a cross-sectional view. And it's worth
8 mentioning that the width of this particular block or cube
9 that you see in the center of the exhibit, it's just a
10 half section in width, and the wellbore is denoted by the
11 blue circle in the bottom-right-hand corner of that, which
12 is 330 feet from the east line of the section.

13 This is more or less representative of the
14 wellbore would be moving in and out of the page for some
15 perspective.

16 And the log on the right is the Beckham
17 19-1 well on the New Mexico side that you saw in the
18 previous two well cross sections.

19 **Q. Turning back to your affidavit, in paragraphs 11**
20 **and 12 you talk about the measured depth and the true**
21 **vertical depth. Can you explain that to the Division?**

22 A. Yes. As I mentioned earlier in a summary in
23 Exhibit B-1, the true vertical depth is approximately
24 12,581 feet. For this well that would be the depth from
25 surface and in a vertical sense to the lateral landing

1 zone within the Wolfcamp Bay. And then adding to that the
2 lateral length of the well to get to the total measured
3 depth would approximately be 21,460 feet.

4 **Q. And finally taking a look at your paragraph 13,**
5 **could you explain to the Division your conclusions in**
6 **light of your geologic study.**

7 A. Sure. The horizontal spacing and proration unit
8 is justified from a geologic standpoint. There don't
9 appear to be any big changes from the surface hole
10 location to the bottomhole location. There are no
11 structural impediments or faulting that would interfere
12 with this horizontal wellbore, and each quarter/quarter
13 section within the unit, including lands in New Mexico and
14 in Texas, will contribute more or less equally to
15 production, which is supported by the cross section
16 exhibiting the triple combo logs in both New Mexico and
17 Texas.

18 The preferred well orientation in this area
19 is north to south. As Mr. Hickey mentioned earlier, this
20 is because the inferred orientation of maximum horizontal
21 stress is roughly east to west in this area. And that's
22 supported by published literature and data in the area.

23 **Q. And finally, in your opinion, Mr. Frierson, this**
24 **proposed well would be in the interest of conservation and**
25 **the protection of correlative rights and the prevention of**

1 waste, is that right?

2 A. That's right.

3 MS. SHAHEEN: Thank you very much.

4 I have no further questions of Mr.

5 Frierson, and I pass the witness.

6 EXAMINER BRANCARD: Thank you.

7 Mr. Ames, any questions.

8 MR. AMES: I do not, Mr. Hearing Examiner.

9 Thank you.

10 EXAMINER BRANCARD: Mr. Rankin, any questions?

11 MR. RANKIN: No questions.

12 EXAMINER BRANCARD: Mr. Garcia.

13 MR. GARCIA: I have no questions.

14 EXAMINER BRANCARD: Mr. Lowe.

15 EXAMINER LOWE: I have no questions. Thank you.

16 EXAMINER BRANCARD: I have no questions.

17 So where are we in your presentation of
18 your case, Ms. Shaheen?

19 MS. SHAHEEN: That concludes my presentation of
20 the case. I would like to ask that all of the testimony,
21 and the written testimony and the exhibits be admitted
22 into the record.

23 EXAMINER BRANCARD: Are there any objections?

24 Seeing none, the exhibits are admitted into
25 the record.

1 MS. SHAHEEN: Then Titus asks that the Division
2 enter an Order approving production allocation between New
3 Mexico and Texas for minerals produced from the Wolfcamp
4 Formation underlying the horizontal spacing unit on both
5 the New Mexico and the Texas side.

6 If you have no further questions, that
7 concludes our presentation today.

8 EXAMINER BRANCARD: So the production allocation
9 would be based on the surface acreage formula that you
10 gave us?

11 MS. SHAHEEN: That's the intent, assuming that
12 Texas agrees with it.

13 We believe -- they do use -- I believe Mr.
14 Jones explained that in some circumstances they do use
15 surface acreage, so they seemed amendable to that idea.

16 HEARING EXAMINER BRANCARD: Well, reading the
17 transcript from the Railroad Commission hearing, they
18 seemed quite happy with it, because Texas seemed to
19 benefit from the surface acreage formula.

20 So I can now understand, seeing the
21 numbers, why they were happy with it.

22 It's my understanding that the Railroad
23 Commission Hearing Examiner -- well, Administrative Law
24 Judge -- is waiting for an agreement between Titus and
25 OXY. Is that correct?

1 MS. SHAHEEN: That's correct. A written
2 acknowledgement that they are amenable to Titus drilling
3 into their mineral interest on the Texas side.

4 EXAMINER BRANCARD: My understanding from
5 reading the transcript from the Railroad Commission is
6 that's because Titus has no interest on the Texas side and
7 therefore the Railroad Commission wants somebody with an
8 interest on the Texas side to sign off on this.

9 MS. SHAHEEN: That's my understanding from
10 listening in on the Railroad Commission hearing.

11 EXAMINER BRANCARD: Okay. And then beyond that
12 it's my understanding that the ALJ will make some sort of
13 recommendation to the full Railroad Commission, and there
14 may be another proceeding before the full Railroad
15 Commission.

16 MS. SHAHEEN: I wasn't anticipating another
17 proceeding before the Commission. My understanding, and
18 Mr. Jones can jump in and correct me if I am wrong, that
19 once we have something in writing with OXY that they will
20 make a recommendation to the Commission and the Commission
21 will rule on the application.

22 EXAMINER BRANCARD: Okay. It seemed that Texas
23 was also interested in some sort of agreement between
24 Texas and New Mexico. I think that they seemed to be
25 thinking that would be something that the full Commission

1 would need to see.

2 Is that your understanding?

3 MS. SHAHEEN: If you don't mind I'd like to
4 defer to Mr. Jones here, as he's got more experience in
5 Texas regulatory work than I do.

6 EXAMINER BRANCARD: Well, I'm sure he does have
7 experience, but I think both for New Mexico and Texas we
8 are dealing with some new ground here. So please,
9 Mr. Jones.

10 MR. JONES: Yes. Some of the feedback that we
11 did receive -- of course, the big qualifier for the
12 Railroad Commission was that they didn't really want to
13 continue moving until we had something in place with OXY.
14 But with the assumption that that would come -- and again
15 I do believe that will come -- their feedback was they
16 would want to get some sort of what I believe would be
17 some sort of simple Memorandum of Understanding between
18 Texas and New Mexico. And as far as when specifically
19 they want to see that, I am not sure.

20 MR. AMES: Mr. Hearing Examiner.

21 EXAMINER BRANCARD: Yeah. Mr. Ames, let me just
22 work with Titus first and then I'll let you -- give you
23 OCD's perspective on this, just so we have the issues in
24 front of us.

25 It's my understanding from what I can

1 grasp, and that this makes intuitive sense, that an
2 understanding between Texas and New Mexico could involve
3 perhaps either two sections of one agreement or two
4 agreements, because we are dealing with, on the one hand,
5 compliance and regulatory issues that the Railroad
6 Commission and OCD would deal with, but on the other hand
7 we are dealing with revenue issues that other agencies
8 within each state would deal with.

9 So is it your understanding that Texas is
10 expecting agreements on both of those points?

11 I know they were both raised during the
12 hearing, and as the ALJ put it several times, he was very
13 concerned about, you know, putting the cart before the
14 horse in this matter.

15 MR. JONES: Yeah, I believe that they would want
16 that to be part of the understanding between the two
17 entities -- or between Texas and New Mexico and whatever
18 underlying regulatory bodies.

19 EXAMINER BRANCARD: Okay. Ms. Shaheen, I know
20 you have asked for approval of a production allocation
21 here, but I guess we are going to need to figure out what
22 steps need to be done next.

23 And I'll go to Mr. Ames in a second here
24 for OCD's perspective on that.

25 But did you have any other comments beyond

1 what Mr. Jones has said here?

2 MS. SHAHEEN: I would just say that we would
3 like to avoid the chicken-and-the-egg problem here, we
4 believe that if we could get approval of the production
5 allocation, an Order approving that, subject to whatever
6 conditions are needed, that kind of helps us along with
7 the chicken-and-the-egg problem. So with that I'll stand
8 down.

9 EXAMINER BRANCARD: Thank you. Yes. I believe
10 the Texas ALJ did refer to the chicken-and-egg problem,
11 also.

12 So Mr. Ames, what is the OCD's perspective
13 on this and where we go with this, assuming we want to
14 move forward. Let's just assume that for discussion's
15 sake.

16 MR. AMES: Well, Mr. Hearing Examiner, we
17 appreciate the concern you've raised. I'm not going to
18 get into poultry here, but we have talked to the attorney
19 for the Texas Railroad Commission on the case. There was,
20 at least in the conference call we had a couple of weeks
21 ago, a general agreement that an MOU would be required in
22 order for us to move forward.

23 I wish we could share Mr. Jones' optimism
24 that such an agreement would be simple, but in discussion
25 with Texas counsel we've identified several topics that

1 would need to be addressed in an MOU in order for us to
2 move forward, including allocation, reporting, financial
3 assurance, permitting, environmental issues -- both air
4 and releases -- notice, inspection, plugging and
5 abandonment, and so forth.

6 So there is a number of issues that need to
7 be addressed. Texas and New Mexico, while neighbors and
8 share the -- neighbors and co-owners of the Basin at issue
9 here, have very different regulatory structures that need
10 to be regularized so that each state is comfortable
11 knowing that regardless where a well is drilled from one
12 state into the other that the state's various interests
13 are adequately protected.

14 So, like I said, I'm not going to comment
15 on chickens and eggs here. I can just state for the
16 record that at this point in time OCD believes that an MOU
17 will be required in order to move forward.

18 EXAMINER BRANCARD: So how would you like to
19 leave this case, then, today?

20 MR. AMES: I believe Ms. Shaheen has asked that
21 the case be taken under advisement, or if she didn't
22 actually say that, I imagine that would be what she would
23 request, and that would seem appropriate.

24 EXAMINER BRANCARD: Okay. Yeah.

25 Mr. Rankin, one last chance for you to

1 suddenly have an opinion here.

2 MR. RANKIN: I wish I could take you up on that
3 offer, Mr. Brancard. No opinion on this at this point.
4 We are just observing and preserving EOG'S interest and
5 rights in this case. Thank you.

6 EXAMINER BRANCARD: Okay. Mr. Lowe, I think you
7 may have a comment here. I'll check with Mr. Garcia also
8 about where we want to go with this.

9 Mr. Lowe.

10 EXAMINER LOWE: Yes. Hi. Good morning again.

11 Ms. Shaheen, I want to give you an update
12 on the NSL application for this well, for this whole
13 scenario. I need to get an update of your C-102. The
14 C-102 for this horizontal spacing unit needs to reference
15 only the acreage that's in New Mexico as the pool for the
16 C-102 only as based in New Mexico.

17 So once I get your updated C-102 I will
18 receive your NSL application and initiate processing it,
19 which in this case I don't think will require a Public
20 Notice, require the time frame, as long as all your ducks
21 are in a row I will move forward and grant your Order.

22 Pending. Pending the Hearing Order.

23 Would that be okay?

24 MS. SHAHEEN: Thank you, Mr. Lowe. I will make
25 sure you have that, hopefully sometime next week.

1 EXAMINER LOWE: Thank you. That's all I have.

2 EXAMINER BRANCARD: Mr. Lowe, the NSL is to
3 basically allow them to continue the well to the state
4 line?

5 EXAMINER LOWE: Yes. Technically it infringes
6 upon the acreage, the encroachment area. Technically
7 that's where it's held at. But the whole point for the
8 NSL is to provide Public Notice to the acreage that's
9 being encroached upon. In this case it's Texas, another
10 state, so we have no jurisdiction for Texas to say, "Hey,
11 you're being encroached upon," so more in a general -- uh,
12 historically is the process that we would go through. So
13 technically it's, you know, the acreage required,
14 reportage required.

15 EXAMINER BRANCARD: Thank you.

16 Mr. Garcia, did you have any thoughts on
17 this case?

18 EXAMINER GARCIA: I guess I'm just concerned
19 about putting in an Order before there would be an
20 agreement with the Railroad Commission. To me,
21 essentially an Order would give them authority to start
22 drilling into Texas but we may not have the details lined
23 out about some of the things I talked about: bonds,
24 allocation methods, et cetera.

25 And I guess I would have a question for

1 Ms. Shaheen.

2 If the well was drilled and if an Order
3 was issued and you did drill a well, would Titus be
4 willing to keep the well shut in until an agreement was
5 made with the Railroad Commission?

6 MS. SHAHEEN: My understanding is that the
7 production allocation approval would be subject to the
8 condition -- and again this is my personal understanding,
9 I don't -- I cannot rely on anything that anyone has told
10 me, but that an Order here approving the production
11 allocation would be subject to a condition of execution,
12 full execution of an MOU that addresses all the issues
13 that both states have raised.

14 So my understanding is you wouldn't be able
15 to get an allowable without satisfying the condition.
16 That would be part of the Order in this case.

17 EXAMINER GARCIA: Yeah. I guess the answer to
18 your question, Bill, is I feel like there's a lot of
19 moving parts, and to me it would probably be best to make
20 sure we know what all these moving parts are before
21 issuing an Order is my thoughts. But I will leave that to
22 your decision.

23 MR. JONES: If I -- this is Walt with Titus.

24 If I may interject on, I guess, our
25 high-level thoughts.

1 This process -- it's obviously taking a
2 long time, and that's not anybody's fault, it's such a
3 unique project. And so it is beginning to affect our
4 drill schedule and just -- you know, the plans. We have
5 an upcoming expiration of the State of New Mexico lease,
6 so if it's not drilled then we could potentially lose that
7 lease. I do believe the State Land Office -- we may be
8 able to work with them but there's no guarantee of that.

9 So in the interest of continuing to move --
10 I do believe we would be open to drilling, if possible, if
11 approved, but not producing the wells until there's
12 something in place between the states.

13 MR. AMES: Mr. Hearing Examiner, if I might just
14 add a thought here, uhm, from my perspective, because of
15 the drilling and not producing is a very bad precedent to
16 set. Once an operator has drilled a well, expended a
17 tremendous amount of money, invested a tremendous amount
18 of money, it adversely affects the ability of the agency
19 to make a rational decision, and that would -- I would
20 recommend to my client not to proceed down that road.

21 However, if Titus were prepared to drill
22 the well wholly in New Mexico, as I believe Mr. Garcia
23 suggested, that may be a different matter.

24 EXAMINER BRANCARD: Right. Our authority, the
25 State of New Mexico acting on our own, ends at the state

1 line, so there's no way we can approve on our own the
2 drilling of a well that would enter into Texas.

3 I really appreciate the idea that was
4 mentioned earlier in the testimony that the portions of
5 the well on each side of the state line would have a
6 separate API number. I think that would really help
7 administering this concept

8 You know, I understand your concern, Mr.
9 Jones, but really this is not only unique but this is a
10 huge precedent we could set here. And it seems like Titus
11 is ready to take advantage of the precedence and drill a
12 number of other wells in a similar situation. I hope
13 that, you know, if there's an agreement between New Mexico
14 and Texas as it relates not just to this well but to
15 future wells. And possibly coming back the other way,
16 which is why I think both states are concerned about how
17 this could be interpreted.

18 You know, with that I'm going to throw out
19 some options here and see where we go.

20 I think we have -- I appreciate Titus'
21 efforts today. We have a fair amount of good testimony in
22 the record right now, and one benefit of that is that one
23 option, as I see it, is to ask the Director to refer this
24 case to the full Commission, with the understanding that
25 the Commission can accept the testimony that's already

1 been provided to the Division so they don't need to have
2 their own separate hearing on this matter, unless there
3 are new issues that come up.

4 I think that it may be better for the State
5 that if a full decision on agreements, especially between
6 the two states come forward that it be looked at by the
7 Commission itself, rather than just a lowly hearing
8 examiner here.

9 So that's certainly one option. I don't
10 know that that would cause any great delays. Once you
11 have agreements between the states I think this would move
12 pretty quickly, but I think that really is the issue here.

13 For now we may want to simply continue this
14 matter to have a status conference on it at some point in
15 the next month or two, just so we can check in and see
16 where we are, so if we need to do something like send it
17 up to the Commission or are in a better position to move
18 forward with an Order, we will know.

19 But at this point I don't think the State
20 has the ability to move forward with a comprehensive Order
21 supporting development here, you know, absent a full
22 agreement between Texas and New Mexico.

23 That's sort of my opinion right now.

24 But I don't want to lose track of this
25 case. I think it's something that we need to keep tabs on

1 and keep checking with the parties as to where we are in
2 this matter.

3 So I don't know what would be a good time
4 to check in on this, whether a month or two months is a
5 good time. I have no idea.

6 Mr. Ames, are there really good discussions
7 going on between Texas and New Mexico, or is this just
8 theoretical at this point?

9 MR. AMES: Mr. Hearing Examiner, I think we are
10 somewhere between theoretical and actual. We've had one
11 discussion with Texas counsel. We've exchanged -- we
12 provided a list of topics for an MOU.

13 Texas counsel advised that they want to see
14 what happens on or about July 12th with the OXY MOU, and
15 then they'll go back to the Commission.

16 My understanding from Texas counsel is that
17 she believed that the MOU would be required but ultimately
18 it's the Commission's decision to direct the staff to
19 actually begin negotiations. And that has not yet
20 occurred and probably will not occur until the July
21 12th/July 13th date.

22 EXAMINER BRANCARD: Well, that's true. We do
23 have a whole deadline for Titus before the Railroad
24 Commission Examiner.

25 Why don't we schedule this for the July

1 15th docket. I know it's a full docket, but I think what
2 we're talking about is a check-in here.

3 If in advance of that date, you know, the
4 parties can provide something in writing that just sort of
5 says, "Here we are, and we request to come back to you in
6 a month," or "We are ready to go," or whatever, that would
7 be helpful.

8 So we will set it up for a status
9 conference on July 15th in this case.

10 I'm leaving the record open because, you
11 know, there may be further evidence that comes that we
12 want to have in this record, particularly if it goes up to
13 the Commission.

14 Ms. Shaheen, any comments?

15 MS. SHAHEEN: No. I appreciate your time today.
16 I know it took more time than I anticipated, but it's
17 encouraging that we had the opportunity to present the
18 case today.

19 The only logistical question I would have
20 is: I'm assuming that I should be filing a motion for
21 continuance to that July 15th docket. Is that a fair
22 assumption?

23 HEARING EXAMINER BRANCARD: We will just
24 continue it. It's our decision to continue it.

25 MS. SHAHEEN: Great. Thank you.

1 MR. GARCIA: Bill, I have one more question.

2 EXAMINER BRANCARD: Sure. Mr. Garcia.

3 MR. GARCIA: I think it's assumed, but until
4 that OXY JOA is executed on the July 12th deadline, will
5 OCD get some Notice that it was executed, or a copy of it,
6 just so we are aware of the deadline, too? Because it's
7 hard for us to go out to check Texas files, et cetera.

8 EXAMINER BRANCARD: Yeah. That's part of what I
9 would like to see from the parties, particularly Titus, is
10 an update in writing, you know, prior to walking in on
11 July 15th, so we have something that we can see.

12 MR. GARCIA: Thank you.

13 MS. SHAHEEN: And that update would be with
14 respect to the agreement with OXY; is that right?

15 EXAMINER BRANCARD: And any other matters. You
16 know, I mean if OCD has updates on how negotiations are
17 going -- you know, an agreement is imminent or Texas and
18 New Mexico slapped each other in the face and walked away.
19 You know, whatever. Let us know.

20 MS. SHAHEEN: Will do.

21 EXAMINER BRANCARD: I doubt CNN is covering your
22 negotiations, so we have to learn from you how it's going.

23 MS. SHAHEEN: Okay.

24 MR. AMES: They better not be covering our
25 negotiations.

1 MS. SHAHEEN: Thank you all again. Appreciate
2 your time.

3 EXAMINER BRANCARD: Thank you.

4 (Time noted 11:50 a.m.)

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1 STATE OF NEW MEXICO)
2 : SS
3 COUNTY OF TAOS)

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