

STATE OF NEW MEXICO.

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION COMMISSION

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

Application of Titus Oil and Gas Production, LLC, to Amend Order R-21381, Lea County, New Mexico	Case No. 22361 Order No. 21381 (Re-Open)
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Application of Titus Oil and Gas Production, LLC, to Amend Order R-21395, Lea County, New Mexico	Case No. 22362 Order No. 21395 (Re-Open)
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REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, APRIL 7, 2022

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, John Garcia, Technical Examiner, on Thursday, April 7, 2022, via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department

Reported by: Mary Therese Macfarlane
New Mexico CCR #122
PAUL BACA COURT REPORTERS
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Albuquerque, New Mexico 87102
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A P P E A R A N C E S

FOR TITUS OIL & GAS: Sharon T. Shaheen, Esq.
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C O N T E N T S

CASE NOS. 22661, 22662 PAGE
CASE CALLED:
TAKEN UNDER ADVISEMENT.

I N D E X O F E X H I B I T S

TITUS oil & GAS EXHIBITS ADMITTED
CASE No. 22661
A Affidavit of Walter Jones
A-1 Application
A-2 Order No. R-21381
A-3 Order No. R-21381-A
A-4 Sample Notice Letter
B Affidavit of Notice
CASE NO. 22662.
A Affidavit of Walter Jones.
A-1 Application
A-2 Order No. R-21395
A-3 Order No. R-21395-A
A-4 Sample Notice Letter
B Affidavit of Notice

1 (Time noted 1:45 p.m.)

2 EXAMINER BRANCARD: All right. With that we
3 have Case 22661 and 22662. Ms. Shaheen, would you want to
4 combine those two?

5 MS. SHAHEEN: Yes, I would, Mr. Examiner.

6 EXAMINER BRANCARD: Calling Cases 22661, 22662,
7 Titus Oil & Gas.

8 MS. SHAHEEN: Thank you. Sharon Shaheen,
9 Montgomery Andrews, on behalf of Titus Oil & Gas.

10 These two cases, 22661 and 22662, are very
11 similar to the two Cattlemen cases we just talked about.

12 Again, in both these cases Titus seeks to
13 extend the time for drilling by one year. And we have a
14 similar affidavit, I hope the well numbers are correct,
15 from Mr. Jones as Exhibit A. The application -- and he
16 explains again the basis for good cause, and here again
17 it's the same as the other applications, there have been
18 changes in the drilling schedule due to current labor
19 shortages and supply chain issues resulting from Covid 19
20 policies.

21 Since early 2021 Title has drilled more or
22 less 40 wells in New Mexico and is currently operating
23 three drilling rigs. Titus has endeavored to drill its
24 wells by way of batch drilling three to four wells
25 sequentially on the same pad, which means that the rig

1 stays on the pad for 50 to 75 days, and if there are
2 unforeseen delays in the drilling of any well, for this
3 reason it has compounding effects on the timing of future
4 pad development.

5 And for these reasons Titus requests that
6 the time for drilling the Lonesome Dove Fed Com 322 and
7 the 322H -- excuse me, 323H by one year.

8 I'll go back to you and just explain what
9 units we are talking about. In paragraph 7 of the
10 affidavit, Orders Nos. R-21394 and R-21395 pooled
11 uncommitted interest owners in the Bone Springs. In the
12 case of the 323H -- oh, excuse me, I misspoke, because
13 these Orders were not sequential.

14 In Case No 22661 that pertains to Order No.
15 R-21381 and that's is 322H Lonesome Dove; and then the
16 other case with respect to the Lonesome Dove 323H that is
17 Order No. 21395.

18 And in Order No. 21381, the Division pooled
19 a standard 240-acre unit comprised of the east half of the
20 northwest quarter of Section 17 and the east half of the
21 west half of Section 8, Township 26 South, Range 25 East
22 in Lea County; whereas for the Lonesome Dove 323H pooled
23 the west half of the northeast quarter of Section 17 and
24 the west half of the east half of Section 8, Township 26
25 South, Range 35 East.

1 The same exhibits are attached to
2 Mr. Jones' affidavit.

3 The affidavit is attached as Exhibit 1.

4 The Orders are attached as Exhibit 2. Here
5 again there was a previous Order extending the time to
6 drill by one year, and that's attached as Exhibit 3.

7 And finally Exhibit 4 is my Notice Letter.

8 And the interest owners are attached as
9 Exhibit A. There are three working interest parties, and
10 then we also notified BLM and the State Land Office as
11 additional interested parties.

12 Finally at Tab 2 is my Affidavit of Notice
13 indicating that we mailed on March 18th and that we
14 published on March 22nd.

15 The attached spreadsheet indicates who
16 received their Certified Mail. Again we have the question
17 mark with respect to Chevron, but we did publish, and that
18 is attached at .pdf page 37 on both applications.

19 With that I would ask that the Division
20 admit these records -- these documents into the record,
21 these exhibits into the record, and take these cases under
22 advisement.

23 EXAMINER GARCIA: I have no questions.

24 EXAMINER BRANCARD: Thank you. I don't believe
25 I have questions either.

1 Are there other any other interested
2 persons for Case 22661, 22662, Titus Oil & Gas? (Note:
3 Pause.) Hearing none, the exhibits will be admitted into
4 the record and Cases 22661 and 22662 will be taken under
5 advisement.

6 MS. SHAHEEN Thank you, Mr. Examiners.

7 (Time noted 1:49 .)

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1 STATE OF NEW MEXICO)

2 : ss

3 COUNTY OF TAOS)

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter

7

CCR No. 122, DO HEREBY CERTIFY that on Thursday, April 7,

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2022, the proceedings in the above-captioned matter were

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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.

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19

/S/CCR/Mary Therese Macfarlane

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MARY THERESE MACFARLANE, CCR

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NM Certified Court Reporter No. 122

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License Expires: 12/31/2022

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