STATE OF NEW MEXICO

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

Application of Catena Resources Operating, LLC, to Amend Order No. R-21434 Lea County, New Mexico Case No. 22138

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, SEPTEMBER 9, 2021

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, Kurt Simmons, Technical Examiner, on September 9, 2021, via Webex Virtual Conferencing Platform hosted by New Mexico Department of Energy, Minerals and Natural Resources

Reported by: Mary Therese Macfarlane New Mexico CCR #122 PAUL BACA COURT REPORTERS 500 Fourth Street NW, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 1 A P P E A R A N C E S 2 FOR CATENA RESOURCES OPERATING, LLC: 3 Kaitlyn A. Luck, Esq. Holland & Hart 110 North Guadalupe, Suite 1 4 Santa Fe, New Mexico 87501 5 (505) 988-4421 kaluck@hollandhart.com 6 7 CONTENTS 8 CASE NO. 22137 PAGE 9 CASE CALLED: 3 4 10 TAKEN UNDER ADVISEMENT: 11 12 INDEX OF EXHIBITS 13 NO. DESCRIPTION ADMITTED 14 A Application 4 15 B Affidavit of Cato Clark, Landman 4 16 C Notice Affidavit 4 17 18 19 20 21 22 23 24 25

Page 3 1 (Time noted 9:36 a.m.) 2 EXAMINER BRANCARD: With that we will move to 3 Case 22138, again Catena Resources. 4 MS. LUCK. Good morning again. Kaitlyn Luck with the Santa Fe office of Holland and Hart for Catena 5 Resources Operating in this case. б 7 EXAMINER BRANCARD: Thank you. Any other interested parties in Case 22138? (Note: Pause.) 8 9 Hearing none, you may proceed, Ms. Luck. MS. LUCK: Thank you. Again in this case, 10 similar to the prior case, Catena understood there would 11 12 be no opposition and filed with the Division its exhibits 13 on Tuesday. 14 As set forth in Exhibit A Catena is seeking 15 to pool -- Catena is seeking to extend the drilling 16 deadline under the Pooling Order. The Pooling Order is 17 Division order R-21434, which was entered on August 18th 18 2020. 19 This case approved a standard 480-acre spacing unit in the southwest guarter of Section 33 in 20 21 Township 18 South, Range 35 East, and in the west half of 22 Section 4 in Township 19 South, Range 35 East. And this is all in Lea County, New Mexico. 23 24 The spacing unit that was approved is in 25 the Wolfcamp Formation and is Dedicated to the initial

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Page 4 Alpha 183533 1H well, and the details of that well are 1 2 provided in Catena's Exhibit B. 3 As indicated in the past case the deadline 4 to commence drilling expired on August 18th of 2021, but 5 the application was filed prior to the expiration of the drilling deadline so Catena is seeking to extend the б 7 drilling deadline to August 18th of 2022. 8 Again, as in the prior case, Catena hasn't required any of the pooled parties to elect or pay and is 9 simply seeking to extend this drilling deadline to allow 10 for sufficient time for the wells to be drilled under its 11 12 drilling schedule. 13 So with that, if there aren't any questions I move the admission of Catena Exhibits A through C and 14 15 request that this case be taken under advisement. 16 EXAMINER BRANCARD: Thank you. Mr. Simmons, any 17 questions? EXAMINER SIMMONS: No. Everything appears to be 18 19 in order. Thank you. EXAMINER BRANCARD: All right. Once again, any 20 21 other comments on Case 22138? (Note: Pause.) Hearing none, the exhibits will be admitted into the record and 22 23 Case 22138 will be taken under advisement. 24 MS. LUCK: Thank you. 25 (Time noted 9:38 a.m.)

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	Page 5
1	STATE OF NEW MEXICO)
2	: ss
3	COUNTY OF TAOS)
4	
5	REPORTER'S CERTIFICATE
6	I, MARY THERESE Macfarlane, New Mexico Reporter
7	CCR No. 122, DO HEREBY CERTIFY that on Thursday,
8	September 9, 2021, the proceedings in the above-captioned
9	matter were taken before me; that I did report in
10	stenographic shorthand the proceedings set forth herein,
11	and the foregoing pages are a true and correct
12	transcription to 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 NM Certified Court Reporter No. 122
21	License Expires: 12/31/2021
22	
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