

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

**APPLICATION OF CATENA RESOURCES
OPERATING, LLC FOR COMPULSORY POOLING
IN LEA COUNTY, NEW MEXICO**

CASE NO. _____

APPLICATION FOR COMPULSORY POOLING

CATENA RESOURCES OPERATING, LLC applies for an order pooling all mineral interests within the Scharb Bone Spring Pool (Pool Code 55610), underlying the W/2 W/2 of Sections 8 and 17, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above referenced horizontal spacing unit to the following initial well:

Rambo 4H

SHL: Unit C of Section 20, Township 19 South, Range 35 East;
190' FNL, 1330' FWL, NMPM;

BHL: Unit D of Section 8, Township 19 South, Range 35 East;
100' FNL, 1280' FWL, NMPM;;

Completion Target: Scharb Bone Spring;

Well Orientation: North/South

Completion Location: standard.

3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.
4. The requested pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.
5. In order to permit Applicant to obtain its just and fair share of the oil and gas

underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of this proposed horizontal well and the proposed spacing unit.

WHEREFORE, Applicant, requests after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted interests in this horizontal spacing unit;
- B. Approving one initial horizontal well in this spacing unit;
- C. Designating Applicant operator of this spacing unit and the horizontal well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completing, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and;
- F. Imposing a 200% charge for risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

PADILLA LAW FIRM, P.A.

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