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 Airstrip Bone Spring Pool (Pool Code 960), underlying the W/2 W/2 of

Sections 19 and 30, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico.

This application replaces the application previously brought by Catena Resources

Operating, LLC in Case 21485. 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:

Rope 4HSHL:Unit N of Section 18, Township 18 South, Range 35 East;190' FSL, 1330' FWL, NMPM;BHL:Lot 4 of Section 30, Township 18 South, Range 35 East;100' FSL, 1230' FWL, NMPM;Completion Target:Airstrip 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 on 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 wells;
- 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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