

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

**APPLICATION OF CATENA RESOURCES
OPERATING, LLC TO AMEND ORDER NO. R-21492,
LEA COUNTY, NEW MEXICO**

Case No. _____
Order No. **R-21492**
(Re-Open Case No. 21459)

APPLICATION

Catena Resources Operating, LLC (“Applicant” or “Catena”) (OGRID No. 328449), by and through the undersigned counsel, files this application requesting that the Oil Conservation Division (“Division”) amend Order No. R-21492 (“Order”) to: (1) reduce the size of the approved horizontal spacing unit from 640-acres to 320-acres, more or less, consisting of the W/2 E/2 of Sections 6 and 7, Township 19 South, Range 35 East in Lea County; (2) amend the location of the initial well approved by the Order; and (3) pool additional interest owners under the terms of the Order. In support of its application, Catena states the following.

1. Division Order No. R-21492, entered on October 13, 2020 in Case No. 21459: pooled uncommitted mineral interests in the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 6 and 7, Township 19 South, Range 35 East, NMPM, Lea County (“the Unit”); dedicated the Unit to the Mariner 193507 1H Well, to be drilled from a surface hole location in Unit A of Section 18 to a bottom hole location in Lot 1 of Section 6; and designated Catena as the operator of the Unit and the well.

2. Catena subsequently sought an extension of the time to commence drilling the well until October 13, 2022, which was approved by Order No. R-21492-A.

3. Since Order No. R-21492 was issued, Catena has revised its development plans and seeks to amend the Unit so that it consists of a 320-acre, more or less, standard horizontal spacing

unit comprised of the W/2 E/2 of Sections 6 and 7, Township 19 South, Range 35 East in Lea County. Catena seeks to dedicate this spacing unit to the proposed **Mariner W2 E2 06 07 W1 State Com 1H** well (the "Well"), which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 18 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 6.

4. The completed interval of the Well will be orthodox.

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject Unit and therefore seeks to pool interest owners under the terms of Order No. R-21492.

6. Amending the Unit dedicated to the Well and the location of the Well, and pooling interest owners under the terms of Order No. 21492, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to allow Catena to obtain its just and fair share of the oil and gas underlying the subject lands, Order No. R-21492 should be amended as set forth above.

8. Catena requests that the other terms of Order Nos. R-21492 and R-21492-A remain in effect.

WHEREFORE, Catena requests that this application be set for hearing on May 5, 2022 and that, after notice and hearing, the Division enter an order:

A. Amending the horizontal spacing unit approved by Order No. R-21492 to consist of a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Sections 6 and 7 of Township 19 South, Range 35 East;

B. Amending the location of the initial well approved by Order No. R-21492; and

C. Pooling additional interest owners under the terms of Order No. R-21492.

Respectfully submitted,

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