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

**CASE NO. 22739** 

## **EXHIBIT INDEX**

# Compulsory Pooling Checklist

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A-2	C102s for Wells
A-3	Plat of Tracts, Ownership Interests, Uncommitted Interests to be Pooled
A-4	Sample Well Proposal Letter and AFEs
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Catherine Henry
B-1	Regional Locator Map
B-2	Cross-Section Locator Map
B-3	Stratigraphic Cross-Section
B-4	Gross Isopach
Exhibit C	Affidavit of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties and Certified Mail Receipts
C-3	Affidavit of Publication for May 12, 2022

# **COMPULSORY POOLING APPLICATION CHECKLIST**

ALL INFORMATION IN THE APPLICATION MUST E	BE SUPPORTED BY SIGNED AFFIDAVITS
Case No.:	22739
Hearing Date:	6/2/2022
Applicant	Catena Resources Operating, LLC
Designated Operator & OGRID	328449
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Catena Resources Operating, LLC for Compulsory
	Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	N/A
Well Family	Foxtail
Formation/Pool	
Formation Name(s) or Vertical Extent	Bone Spring Formation
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Bone Spring Formation
Pool Name and Pool Code	Scharb; Bone Springs (55610)
Well Location Setback Rules	Standard
Spacing Unit Size	320
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	W2E2 of Section 5, Township 19 South, Range 35 East and the W2E2
,	of Section 32, Township 18 South, Range 35 East, Lea County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	
Well(s)	
Name & API (if assigned), surface and bottom hole location,	Add wells as needed
footages, completion target, orientation, completion status	
(standard or non-standard)	
Well #1	Foxtail W2E2 05 32 B1 State Com 1H (API # pending)
	SHL: 462' FNL & 1123' FEL, Unit A, Section 8, T19S-R35E
	BHL: 100' FNL & 1700' FEL, Unit B, Section 32, T18S-R35E
	Completion Target: Bone Springs (Approx. 9,700' TVD)
	Well Orientation: South to North
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-2
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,500.00
Production Supervision/Month \$	\$850.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	C-2
Proof of Published Notice of Hearing (10 days before hearing)	C-3

Exhibit B-3

Dana S. Hardy

5/31/2022

/s/ Dana S. Hardy

Cross Section (including Landing Zone)

CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.

Printed Name (Attorney or Party Representative):

Signed Name (Attorney or Party Representative):

**Additional Information** 

Date:

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

**CASE NO. 22739** 

### SELF-AFFIRMED STATEMENT OF CATO CLARK

- 1. I am Vice President of Land at Catena Resources Operating, LLC ("Catena") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.
- 2. I am familiar with the land matters involved in the above-referenced case. Copies of Catena's application and proposed hearing notice are attached as **Exhibit A-1**.
- 3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.
- 4. Catena seeks an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the W/2 E/2 of Section 5, Township 19 South, Range 35 East and the W/2 E/2 of Section 32, Township 18 South, Range 35 East, Lea County, New Mexico.
- 5. The Unit will be dedicated to the **Foxtail W2E2 32 05 B1 State Com 1H** well ("Well"), which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 8 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 32.
  - 6. The completed interval of the Well will be orthodox.

Catena Resources Operating, LLC Case No. 22739 Exhibit A

- 7. The Well is located in the Scharb; Bone Spring Pool (Pool Code 55610).
- 8. With respect to well setback requirements, this pool is subject to the statewide horizontal well rules set out in NMAC 19.15.16.15.
  - 9. **Exhibit A-2** contains the C-102 for the Well.
- 10. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Catena seeks to pool.
- 11. **Exhibit A-4** contains a sample well proposal letter and AFE sent to working interest owners for the Well. The estimated costs reflected on the AFE are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
- 12. Catena has conducted a diligent search of all public records in Lea County including phone directories and computer databases.
  - 13. All interest owners Catena seeks to pool are locatable.
- 14. In my opinion, Catena made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit** A-5.
- 15. Catena requests overhead and administrative rates of \$8,500 per month while the Well is being drilled and \$850 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Catena and other operators in the vicinity.
- 16. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

- 17. In my opinion, the granting of Catena's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 18. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 17 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Cato Clark

5.20-22 Date

Date

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

Case No. 22739

#### **APPLICATION**

Pursuant to NMSA § 70-2-17, Catena Resources Operating, LLC ("Applicant") applies for an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the W/2 E/2 of Section 5, Township 19 South, Range 35 East and the W/2 E/2 of Section 32, Township 18 South, Range 35 East, Lea County, New Mexico. In support of its application, Applicant states:

- 1. Applicant (OGRID No. 328449) is a working interest owner in the Unit and has the right to drill wells thereon.
- 2. The Unit will be dedicated to the **Foxtail W2E2 32 05 B1 State Com 1H** well ("Well"), which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 8 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 32.
  - 3. The completed interval of the Well will be orthodox.
- 4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all of the mineral interest owners.
- 5. The pooling of uncommitted mineral interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

Catena Resources Operating, LLC Case No. 22739 Exhibit A-1 6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Well and Unit.

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

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the 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 completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the 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.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean P.O. Box 2068

Santa Fe, NM 87504-2068 Phone: (505) 982-4554

Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com imclean@hinklelawfirm.com

Counsel for Catena Resources Operating, LLC

**Application of Catena Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant applies for an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the W/2 E/2 of Section 5, Township 19 South, Range 35 East and the W/2 E/2 of Section 32, Township 18 South, Range 35 East, Lea County, New Mexico. The Unit will be dedicated to the **Foxtail W2E2 32 05 B1 State Com 1H** well ("Well"), which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 8 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 32. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 20 miles West of Hobbs, New Mexico.

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

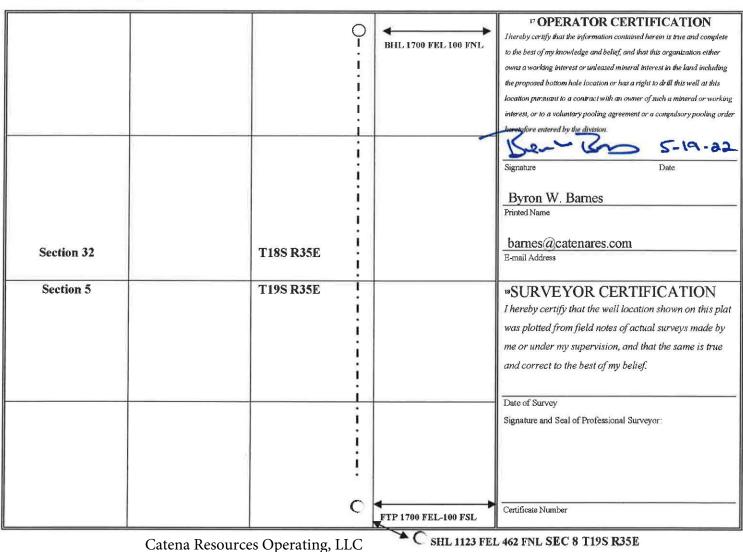
Phone: (505) 476-3460 Fax: (505) 476-3462

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

Foxtail W2E2 05 32 B1 State Com  Operator Name Catena Resources Operating, LLC  Surface Location  UL or lot no. Section 8 19-S 35-E A 462 North 1123 East  Bottom Hole Location If Different From Surface  UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the 1123 East  Bottom Hole Location If Different From Surface  UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the 232 18-S 35-E B 100 North 1700 East  Dedicated Acres 32 Joint or Infill 14 Consolidation Code 15 Order No.	
Foxtail W2E2 05 32 B1 State Com   Soperator Name   Surface Location	
	Well Number
Catena Resources Operating, LLC	1H
UL or lot no. Section 8 19-S 35-E A 462 North 1123 East  Bottom Hole Location If Different From Surface  UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the North/South line East/West line East  Bottom Hole Location If Different From Surface  UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the Section 1700 East  Dedicated Acres 320 18-S 35-E B 100 North 1700 East	<sup>9</sup> Elevation
UL or lot no. Section 19-S 35-E A 462 North 1123 East  Bottom Hole Location If Different From Surface  UL or lot no. Section 32 18-S 35-E B 100 North 1700 East  Dedicated Acres 320 15 Consolidation Code 15 Order No.	
8         19-S         35-E         A         462         North         1123         East           Bottom Hole Location If Different From Surface           UL or lot no.         Section Township Range   Lot Idn   Feet from the   North/South line   Feet from the   Section   1700   East           Dedicated Acres         13 Joint or Infill         14 Consolidation Code   15 Order No.	
Bottom Hole Location If Different From Surface  UL or lot no.   Section   Township   Range   Lot Idn   Feet from the   North/South line   Feet from the   1700   East    Dedicated Acres   33 Joint or Infill   14 Consolidation Code   15 Order No.	County
UL or lot no. Section Township Range Lot Idn Feet from the 32 18-S 35-E B 100 North 1700 East  Dedicated Acres 320 13 Joint or Infill 14 Consolidation Code 15 Order No.	LEA
32   18-S   35-E   B   100   North   1700   East	
Dedicated Acres 3 Joint or Infill 4 Consolidation Code 15 Order No.	County
320	LEA
o allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been ann	
	proved by the
vision.	proved by un



Catena Resources Operating, LLC

### **EXHIBIT A-3**

# Foxtail W2E2 32 05 B1 State Com 1H Proposed Bone Springs Spacing Unit Lea County, New Mexico

W2E2 Sections 32 - T18S R35E & 5 -T19S-R35E

			•
Catena Resources Operating (CRO)	78.99%		Tract 1
T.H. McElvain (THM)	1.56%		CRO 75.06%
,			McC 21.19%
Parties to be Pooled			GWD 3.75%
McCombs Exploration, LLC (McC)	11.54%		•
Great Western Drilling, Ltd. (GWD)	5.62%	Section 32	
Mary Louise Galbreath (Open)	0.26%		
The Brady Family Trust (Open)	0.52%		Tract 2
Jean Ann Pepper Johnson (Open)	0.20%		CRO 87.5%
Ruth V. Klover (Open)	0.20%		THM 12.5%
Coert Holdings 1, LLC (Open)	0.81%		Tract 3
Max W. Coll, II Trust (Open)	0.11%		CRO 70.83%
David Cullum Miller (Open)	0.20%		McC 16.67%
Total	100.00%		GWD 12.5%
<u>i otai</u>	100.0076		GWD 12.5%
			T 4
			Tract 4
Tracts			CRO 70.83%
Tract 1 W/2 NE/4	Section 32		McC 16.67%
Tract 2 NW/4 SE/4	Section 32		GWD 12.5%
Tract 3 SW/4 SE/4	Section 32		
Tract 4 W/2 NE/4	Section 5	Section 5	
Tract 5 W/2 SE/4	Section 5		
			Tract 5
			Tract 5
			CRO 90.87%
			OPEN 9.13%

Catena Resources Operating, LLC Case No. 22739 Exhibit A-3



3/10/2022

Via Certified Mail:

RE: Foxtail W2E2 32 05 B1 State Com 1H

W/2 E/2 Section 5 T19S R35E, W/2 E/2 Section 32 T18S R35E

Lea County, NM

Dear Working Interest Owner,

Catena Resources Operating, LLC ("Catena") as Operator hereby proposes to drill and operate the captioned horizontal well, as further described in the enclosed AFE, (hereinafter, the "Well"):

Well Name	SHL	BHL	Target Formation	Proposed TVD	Proposed TMD
Foxtail W2E2 32 05 B1 State Com 1H	300 ft FNL, 1123 ft FEL, 8-19S-35E	100 ft FNL, 1700 ft FEL, 32-18S-35E	First Bone Springs	9,700'	19,700'

The Estimated Well Costs for the Well are \$8,694,255.00.

As an alternative to your participation, Catena proposes to acquire your interest via term assignment, subject to due diligence and title verification satisfactory to Catena, should you so elect.

In any event, Catena respectfully requests you (i) indicate your election by initialing next to one of the three (3) options on the following page, (ii) execute one copy of this letter, and (iii) in the event you elect to participate in the drilling and completion of the Well, execute one copy of the enclosed AFE, and return all of same to the undersigned at the letterhead address or the email address reflected below within 30 days of your receipt hereof. In the event of your participation, Catena will furnish a proposed joint operating agreement upon request.

Should you have any questions regarding the foregoing, please feel free to contact the undersigned at any of the points indicated below.

Best regards,

Cato Clark

Vice President, Land

Catena Resources Operating, LLC

1001 Fannin Street, 22<sup>nd</sup> Floor

Houston, TX 77002 Direct: 346.200.7894

Clark@catenares.com



1001 Fannin St.

BY ITS	NITIALS & EXECUTION IN THE SPACE PROVIDED BELOW, THE UNDERSIGNED:
	CONSENTS TO PARTICIPATE TO THE FULL EXTENT OF ITS INTEREST IN THE PROPOSED OPERATION(S) AND BEAR ITS PROPORTIONATE SHARE OF ALL COSTS AND EXPENSES ASSOCIATED THEREWITH
OR	
	DOES NOT CONSENT TO PARTICIPATE IN THE PROPOSED OPERATION(S)
OR	
	REQUESTS CATENA DELIVER A TERM ASSIGNMENT FOR REVIEW AND EXECUTION
Ву:	
Title:	
Date:	



		WEI	L COST ESTIMATE					AFE NO. P2108B
<b>ENA</b>	WELL NAME:		2 32 05 B1 State Com 1H	•	DATE:		3/1/2022	P2100B
	FIELD NAME:				START DATE:		3/1/2022	
	LOCATION: COUNTY / ST:	Le	on 8-T19S-R35E a County, NM		COMPLETE DATE: ORIGINAL:			
	OBJECTIVE: Drill 10,000' lateral, Facility	Zipper Frac 5	1 stages and POL with ES	SP and Building	SUPPLEMENT:			
INTANGIBLE COSTS Legal Fees & Title Opinions		ACCT 9250	DRILLING \$100,000	ACCT CODE 9400	COMPLETION	ACCT 9501	FACILITIES	TOTAL \$100,000
Survey/Staking/Permits/Bonds Row / Surface Damages		9251 9252	\$25,000 \$25,000	9401 9402	\$10,000	9502 9512		\$35,000 \$25,000
Loc Rsrv Pit Construction Rd & Loc Rsrv Pit Reclamation		9253 9254	\$100,000	9403 9404		9510		\$100,000 \$0
Frac Pond Gate Guard		9255		9405	\$25,000			\$25,000
Mouse/Rathole/Conductor		9256 9257	\$25,000	9406				\$0 \$25,000
Mobilization / Demobilization Drilling - Daywork		9258 9259	\$135,000 \$600,000	9407				\$135,000 \$600,000
Drilling - Footage Drilling - Turnkey		9260 9261						\$0 \$0
Completion/ Snubbing / Wo Unit Trailer House / Communications		9262 9263	\$15,000	9408 9409	\$20,000			\$20,000 \$15,000
Drill Bits Directional Equip/Gyro Surveys		9264 9265	\$60,000 \$250,000	9410 9411				\$60,000 \$250,000
Downhole Tool / Stabil Rental Mud / Chemicals		9266 9267	\$35,000 \$165,000	9412 9413	\$65,000 \$5,000			\$100,000 \$170,000
Fuel / Power		9268 9269	\$150,000	9414 9415	\$40,692			\$190,692
Water Supply Well Equipment Water / Water Hauling		9270		9416	\$468,286			\$0 \$468,286
Offsite Water/Cutting Disposal Transportation / Hauling		9271 9272	\$80,000 \$40,000	9417 9418	\$45,000	9509		\$125,000 \$40,000
Inspection/Tubular Testing Laydown Machine/Cast Crew/Tong		9273 9274	\$25,000 \$25,000	9419 9420				\$25,000 \$25,000
Cement Float Equip & Services Mud Logging		9275 9276	\$150,000 \$40,000	9421				\$150,000 \$40,000
Logging - Open Hole		9277		9422				#VALUE!
Logging - Cased Hole Coring/Analysis Drill Stem Tst		9278 9279		9423				\$0 \$0
Perforating Wireline / Slickline Services		9280 9281		9424 9425	\$285,500			\$0 \$285,500
Equipment Rental Pumping Services / Rental		9282 9283	\$160,000	9426 9427	\$223,980 \$57,500	9511		\$383,980 \$57,500
Acidizing & Fracturing		9284		9428	\$2,500,000			\$2,500,000
Coil Tubing Unit Flow Testing Swabbing		9285 9286		9429 9430	\$412,500 \$73,038			\$412,500 \$73,038
Fishing/Sidetrack Services Nipple Up / Bope Testing		9287 9288	\$20,000	9431 9432				\$0 \$20,000
Overhead Wellsite Consult Serv/Supervis		9289 9290	\$105,000	9433 9434	\$93,557	9503		\$0 \$198,557
Eng/Geo/Lab Trace Diagnostics		9291	\$50,000	9435		9515		\$50,000
Roustabout / Contract Labor Welding Services		9292 9293	\$120,000 \$15,000	9436 9437	\$20,000	9504		\$140,000 \$15,000
Insurance Miscellaneous		9294 9295		9438 9439	\$100,000	9505 9506		\$0 \$100,000
P&A Costs Safety / Eh&S		9296 9297		9440 9441		9507		\$0 \$0
Contingency		9298		9442	\$133,202	9514		\$133,202
Non-Op Drilling Intangible Pipeline Install/ Interconnect		9299 9300		9443 9444		9513 9508		\$0 \$0
Facility Installation					175,000			\$175,000
TBD TBD					175,000			\$0 \$0
TBD					175,000			\$0
TBD TBD TBD					175,000			\$0 \$0 \$0
TBD TBD TBD	īs		\$2,515,000		\$4,753,255		\$0	\$0 \$0 \$0 \$0 \$0
TBD TBD TBD TBD TBD TBD TBD TOTAL INTANGIBLE COST		ACCT	<del></del>	ACCT CODE		ACCT	\$0	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
TBD TBD TBD TBD TBD TOTAL INTANGIBLE COST	Feet <u>\$/</u> Ft	ACCT 9350	<del></del>	ACCT CODE	\$4,753,255	ACCT		\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0
TBD TBD TBD TBD TBD TBD TBD TBD TBD TOTAL INTANGIBLE COST SIZE Conductor Surface Casing 13-3/8"	Feet <u>\$/</u> Ft  2,000 \$56.00	9350 9351	DRILLING \$112,000	ACCT CODE	\$4,753,255	ACCT		\$0 \$0 \$0 \$0 \$0 \$0 \$7,268,255 TOTAL \$0 \$0 \$112,000
TBD TBD TBD TBD TBD TBD  TOTAL INTANGIBLE COSTS  TANGIBLE COSTS  Size  Conductor  Surface Casing 113-3/8" 1st Intermediate Casing / Liner 2nd Intermediate Casing / Liner	Feet <u>\$/Ft</u> 2,000 \$56.00 4,000 \$ 39.00	9350	\$112,000 \$156,000		\$4,753,255	ACCT		\$0 \$0 \$0 \$0 \$0 \$0 \$7,268,255 TOTAL \$0 \$112,000 \$156,000
TBD TBD TBD TBD TBD TBD TBD TBD  TOTAL INTANGIBLE COSTS  TANGIBLE COSTS  Size  Conductor Surface Casing 1st Intermediate Casing / Liner 2nd Intermediate Casing / Liner Production Casing / Liner Production Casing / Liner Casing Tie Back	Feet <u>\$/</u> Ft  2,000 \$56.00	9350 9351 9352	DRILLING \$112,000	9451 9452	\$4,753,255	ACCT		\$0 \$0 \$0 \$0 \$0 \$0 \$7,268,255 TOTAL \$0 \$112,000 \$156,000 \$462,000
TBD TBD TBD TBD TBD TBD TBD TBD TANGIBLE COSTS   TANGIBLE COSTS  Size  Conductor Surface Casing 1st Intermediate Casing / Liner 2nd Intermediate Casing / Liner Production Casing / Liner Production Casing / Liner Casing Tie Back Liner Hanger Assembly Tubing	Feet <u>\$/Ft</u> 2,000 \$56.00 4,000 \$ 39.00	9350 9351 9352	\$112,000 \$156,000 \$462,000	9451 9452 9453 9454	\$4,753,255	ACCT		\$0 \$0 \$0 \$0 \$0 \$0 \$7,268,255 TOTAL \$0 \$112,000 \$156,000 \$0 \$60,000
TBD TBD TBD TBD TBD TBD TBD TOTAL INTANGIBLE COST  TANGIBLE COSTS  Size  Conductor Surface Casing 1st Intermediate Casing / Liner 2nd Intermediate Casing / Liner Production Casing / Liner Casing Tie Back Liner Hanger Assembly	Feet <u>\$/Ft</u> 2,000 \$56.00 4,000 \$ 39.00	9350 9351 9352	\$112,000 \$156,000	9451 9452 9453	\$4,753,255  COMPLETION	ACCT		\$0 \$0 \$0 \$0 \$0 \$0 \$7,268,255 TOTAL \$0 \$112,000 \$156,000 \$462,000 \$0 \$0
TBD TBD TBD TBD TBD TBD TBD TBD TBD TANGIBLE COSTS  TANGIBLE COSTS  Size  Conductor Surface Casing 1st Intermediate Casing / Liner 2nd Intermediate Casing / Liner Production Casing / Liner Production Casing / Liner Casing Tie Back Liner Hanger Assembly Tubing Casing Equipment - OHMS / Etc. Wellhead Equipment Pumping Unit / Prime Mover / Base	Feet <u>\$/Ft</u> 2,000 \$56.00 4,000 \$ 39.00	9350 9351 9352 9353	DRILLING \$112,000 \$156,000 \$462,000	9451 9452 9453 9454 9455	\$4,753,255  COMPLETION	9521 9522		\$0 \$0 \$0 \$0 \$0 \$0 \$7,268,255 TOTAL \$0 \$112,000 \$156,000 \$0 \$60,000 \$15,000 \$65,000
TBD	Feet <u>\$/Ft</u> 2,000 \$56.00 4,000 \$ 39.00	9350 9351 9352 9353	DRILLING \$112,000 \$156,000 \$462,000	9451 9452 9453 9454 9455 9456 9457 9458 9459	\$4,753,255  COMPLETION	9521 9522 9523		\$0 \$0 \$0 \$0 \$0 \$0 \$7,268,255 TOTAL \$0 \$112,000 \$156,000 \$60,000 \$15,000 \$65,000 \$65,000 \$50,000
TBD	Feet <u>\$/Ft</u> 2,000 \$56.00 4,000 \$ 39.00	9350 9351 9352 9353	DRILLING \$112,000 \$156,000 \$462,000	9451 9452 9453 9454 9455 9456 9457 9458 9459 9460	\$4,753,255 COMPLETION \$60,000	9521 9522 9523 9524 9525		\$0 \$0 \$0 \$0 \$0 \$0 \$7,268,255 TOTAL \$0 \$112,000 \$156,000 \$0 \$60,000 \$15,000 \$55,000 \$55,000 \$0 \$55,000 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0
TBD	Feet <u>\$/Ft</u> 2,000 \$56.00 4,000 \$ 39.00	9350 9351 9352 9353	DRILLING \$112,000 \$156,000 \$462,000	9451 9452 9453 9454 9455 9456 9457 9458 9459 9460 9461 9462 9463	\$4,753,255 COMPLETION \$60,000 \$50,000	9521 9522 9523 9524 9524 9525 9526 9527		\$00 \$00 \$00 \$00 \$00 \$7,268,255 TOTAL \$00 \$112,000 \$156,000 \$00 \$60,000 \$15,000 \$50,000 \$50,000 \$100,000 \$100,000
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TBD	Feet <u>\$/Ft</u> 2,000 \$56.00 4,000 \$ 39.00	9350 9351 9352 9353	DRILLING \$112,000 \$156,000 \$462,000	9451 9452 9453 9454 9455 9456 9457 9459 9460 9461 9462 9463 9464 9465 9466 9467	\$4,753,255  COMPLETION  \$60,000  \$50,000  \$100,000  \$25,000	9521 9522 9523 9524 9525 9526 9527 9528 9530 9531 9531		\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$7,268,255  TOTAL \$0 \$112,000 \$156,000 \$0 \$60,000 \$0 \$55,000 \$0 \$15,000 \$0 \$100,000 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0
TBD	Feet <u>\$/Ft</u> 2,000 \$56.00 4,000 \$ 39.00	9350 9351 9352 9353	DRILLING \$112,000 \$156,000 \$462,000	9451 9452 9453 9454 9455 9456 9457 9458 9469 9461 9462 9463 9464 9465 9466 9467 9468 9469 9470	\$4,753,255  COMPLETION  \$60,000  \$50,000  \$100,000	9521 9522 9523 9524 9525 9526 9527 9528 9530 9530 9531 9532 9533		\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$7,268,255  TOTAL \$0 \$112,000 \$156,000 \$0 \$0 \$60,000 \$15,000 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0
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TBD	Feet <u>\$/Ft</u> 2,000 \$56.00 4,000 \$ 39.00	9350 9351 9352 9353	DRILLING \$112,000 \$156,000 \$462,000	9451 9452 9453 9454 9455 9456 9457 9459 9460 9461 9462 9463 9464 9465 9466 9467 9468 9469 9470	\$4,753,255  COMPLETION  \$60,000  \$50,000  \$100,000  \$25,000	9521 9522 9523 9524 9525 9526 9527 9528 9530 9531 9532 9533 9533		\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
TBD	Feet <u>\$/Ft</u> 2,000 \$56.00 4,000 \$ 39.00	9350 9351 9352 9353	DRILLING \$112,000 \$156,000 \$462,000	9451 9452 9453 9454 9455 9456 9457 9460 9461 9462 9463 9464 9465 9466 9467 9468 9469 9470 9471 9471	\$4,753,255  COMPLETION  \$60,000  \$50,000  \$100,000  \$25,000	9521 9522 9523 9524 9525 9526 9527 9528 9530 9531 9532 9533 9534 9535 9535		\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
TBD	Feet <u>\$/Ft</u> 2,000 \$56.00 4,000 \$ 39.00	9350 9351 9352 9353	DRILLING \$112,000 \$156,000 \$462,000	9451 9452 9453 9454 9455 9456 9457 9459 9460 9461 9462 9463 9463 9464 9465 9466 9467 9469 9470 9471 9472 9473 9474 9475 9476	\$4,753,255  COMPLETION  \$60,000  \$50,000  \$100,000  \$25,000	9521 9522 9523 9524 9525 9526 9527 9529 9531 9532 9533 9534 9535 9537 9538 9539 9541		\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
TBD	Feet <u>\$/Ft</u> 2,000 \$56.00 4,000 \$ 39.00	9350 9351 9352 9353 9354	DRILLING \$112,000 \$156,000 \$462,000	9451 9452 9453 9454 9455 9456 9457 9459 9460 9461 9462 9463 9464 9465 9466 9469 9470 9471 9472 9473 9474 9475 9476 9477	\$4,753,255  COMPLETION  \$60,000  \$50,000  \$100,000  \$25,000  \$50,000	9521 9522 9523 9524 9525 9526 9527 9528 9530 9531 9532 9533 9535 9536 9537 9538 9539 9541 9541 9541		\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
TBD	Feet \$/Ft  2,000 \$56.00 4,000 \$ 39.00  21,000 \$22.00	9350 9351 9352 9353 9354	DRILLING \$112,000 \$156,000 \$462,000 \$45,000	9451 9452 9453 9454 9455 9456 9457 9458 9469 9460 9461 9462 9463 9464 9465 9466 9467 9468 9467 9468 9470 9471 9471 9472 9473 9474 9475 9476 9478	\$4,753,255  COMPLETION  \$60,000  \$50,000  \$100,000  \$25,000  \$25,000  \$106,000  \$616,000	9521 9522 9523 9524 9525 9526 9527 9529 9530 9531 9532 9533 9534 9535 9536 9537 9538 9539 9540		\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
TBD	Feet \$/Ft  2,000 \$56.00 4,000 \$ 39.00  21,000 \$22.00	9350 9351 9352 9353 9354	\$112,000 \$156,000 \$462,000 \$455,000	9451 9452 9453 9454 9455 9456 9457 9459 9460 9461 9462 9463 9464 9465 9466 9469 9470 9471 9472 9473 9474 9475 9476 9477	\$4,753,255  COMPLETION  \$60,000  \$50,000  \$100,000  \$25,000  \$25,000  \$106,000	9521 9522 9523 9524 9525 9526 9527 9528 9530 9531 9532 9533 9535 9536 9537 9538 9539 9541 9541 9541	FACILITIES	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
TBD	Feet \$/Ft  2,000 \$56.00 4,000 \$ 39.00  21,000 \$22.00	9350 9351 9352 9353 9354	DRILLING \$112,000 \$156,000 \$462,000 \$45,000	9451 9452 9453 9454 9455 9456 9457 9459 9460 9461 9462 9463 9464 9465 9466 9469 9470 9471 9472 9473 9474 9475 9476 9477	\$4,753,255  COMPLETION  \$60,000  \$50,000  \$100,000  \$25,000  \$25,000  \$106,000  \$616,000	9521 9522 9523 9524 9525 9526 9527 9528 9530 9531 9532 9533 9535 9536 9537 9538 9539 9541 9541 9541	FACILITIES	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
TBD	Feet \$/Ft  2,000 \$56.00 4,000 \$ 39.00  21,000 \$22.00	9350 9351 9352 9353 9354	\$112,000 \$156,000 \$462,000 \$45,000 \$15,000 \$65,000 \$810,000 \$3,325,000	9451 9452 9453 9454 9455 9456 9457 9459 9460 9461 9462 9463 9464 9465 9466 9469 9470 9471 9472 9473 9474 9475 9476 9477	\$4,753,255  COMPLETION  \$60,000  \$50,000  \$100,000  \$250,000  \$250,000  \$106,000  \$106,000  \$616,000  \$5369,255	9521 9522 9523 9524 9525 9526 9527 9528 9530 9531 9532 9533 9535 9536 9537 9538 9539 9541 9541 9541	FACILITIES	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
TRD	Feet \$/Ft  2,000 \$56.00 4,000 \$ 39.00  21,000 \$22.00	9350 9351 9352 9353 9354	\$112,000 \$156,000 \$156,000 \$462,000 \$65,000 \$15,000 \$65,000	9451 9452 9453 9454 9455 9456 9457 9459 9460 9461 9462 9463 9464 9465 9466 9469 9470 9471 9472 9473 9474 9475 9476 9477 9478	\$4,753,255  COMPLETION  \$60,000  \$50,000  \$100,000  \$25,000  \$25,000  \$106,000  \$53,369,255  Date:	9521 9522 9523 9524 9525 9526 9527 9528 9530 9531 9532 9533 9535 9536 9537 9538 9539 9541 9541 9541	FACILITIES	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
TRD	Feet \$/Ft  2,000 \$56.00 4,000 \$ 39.00  21,000 \$22.00  See to pay your share of the actual costs in the cost of the actual costs in the actual cost	9350 9351 9352 9353 9354 9354	\$112,000 \$156,000 \$462,000 \$462,000 \$65,000 \$15,000 \$65,000 \$15,000 \$15,000 \$15,000 \$15,000	9451 9452 9453 9454 9455 9456 9457 9459 9460 9461 9462 9463 9463 9464 9465 9469 9470 9471 9472 9473 9474 9475 9478 9479 9479	\$4,753,255  COMPLETION  \$60,000  \$50,000  \$100,000  \$25,000  \$25,000  \$106,000  \$53,369,255  Date:	9521 9522 9523 9524 9525 9526 9527 9528 9530 9531 9532 9533 9535 9536 9537 9538 9539 9541 9541 9541	FACILITIES	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
TRD	Feet \$/Ft  2,000 \$56.00 4,000 \$ 39.00  21,000 \$22.00  See to pay your share of the actual costs in the cost of the actual costs in the actual cost	9350 9351 9352 9353 9354 9354	\$112,000 \$156,000 \$462,000 \$462,000 \$65,000 \$15,000 \$65,000 \$15,000 \$15,000 \$15,000 \$15,000	9451 9452 9453 9454 9455 9456 9457 9459 9460 9461 9462 9463 9463 9464 9465 9469 9470 9471 9472 9473 9474 9475 9478 9479 9479	\$4,753,255  COMPLETION  \$60,000  \$50,000  \$100,000  \$25,000  \$25,000  \$106,000  \$53,369,255  Date:	9521 9522 9523 9524 9525 9526 9527 9528 9530 9531 9532 9533 9535 9536 9537 9538 9539 9541 9541 9541	FACILITIES	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
TOTAL INTANGIBLE COST TBD TBD TBD TBD TBD TBD TBD TBD TBD TB	Feet \$/Ft  2,000 \$56.00 4,000 \$39.00  21,000 \$22.00  21,000 \$22.00  See to pay your share of the actual costs it ered by Operator's Extra Expense se my own well control insurance rest owner elects to be covered in	9350 9351 9352 9353 9354 9354	\$112,000 \$156,000 \$462,000 \$462,000 \$65,000 \$15,000 \$65,000 \$15,000 \$15,000 \$15,000 \$15,000	9451 9452 9453 9454 9455 9456 9457 9459 9460 9461 9462 9463 9463 9464 9465 9469 9470 9471 9472 9473 9474 9475 9478 9479 9479	\$4,753,255  COMPLETION  \$60,000  \$50,000  \$100,000  \$25,000  \$25,000  \$106,000  \$53,369,255  Date:	9521 9522 9523 9524 9525 9526 9527 9528 9530 9531 9532 9533 9535 9536 9537 9538 9539 9541 9541 9541	FACILITIES	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
TOTAL INTANGIBLE COST TBD TBD TBD TBD TBD TBD TBD TBD TBD TB	Feet \$/Ft  2,000 \$56.00 4,000 \$ 39.00  21,000 \$22.00  See to pay your share of the actual costs in the cost of the actual costs in the actual cost	9350 9351 9352 9353 9354 9354	\$112,000 \$156,000 \$462,000 \$462,000 \$65,000 \$15,000 \$65,000 \$15,000 \$15,000 \$15,000 \$15,000	9451 9452 9453 9454 9455 9456 9457 9459 9460 9461 9462 9463 9463 9464 9465 9469 9470 9471 9472 9473 9474 9475 9478 9479 9479	\$4,753,255  COMPLETION  \$60,000  \$50,000  \$100,000  \$25,000  \$25,000  \$106,000  \$53,369,255  Date:	9521 9522 9523 9524 9525 9526 9527 9528 9530 9531 9532 9533 9535 9536 9537 9538 9539 9541 9541 9541	FACILITIES	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$

#### Exhibit A-5

#### Catena Resources Operating, LLC – Foxtail W2E2 32 05 B1 State Com 1H Discussion Timeline

#### **McCombs Exploration, LLC**

Catena Resources Operating, LLC sent original well proposals on March 10, 2022. At such time, Catena and McCombs Exploration, LLC were already engaged in discussions regarding the proposed well. Catena and McCombs Exploration, LLC are in ongoing discussions on the well proposal.

#### **Great Western Drilling, Ltd.**

Catena Resources Operating, LLC sent original well proposals on March 10, 2022. At such time, Catena and Great Western Drilling, Ltd. were already engaged in discussions regarding the proposed well. Catena and Great Western Drilling, Ltd. are in ongoing discussions on the well proposal.

#### **OPEN - Unleased Mineral Interest Owners**

Catena Resources Operating, LLC sent original well proposals on March 10, 2022. After such time, Catena also sent lease offers and has made every effort to initiated communication and lease negotiation with the unleased mineral interest owners which is ongoing.

Catena Resources Operating, LLC Case No. 22739 Exhibit A-5

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

**CASE NO. 22739** 

### SELF-AFFIRMED STATEMENT OF CATHERINE HENRY

- 1. I am a geologist at Catena Resources Operating, LLC ("Catena") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously submitted written testimony to the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in geology were accepted and made a matter of record.
  - 2. I am familiar with the geological matters that pertain to the above-referenced case.
- 3. **Exhibit B-1** is a project location map that shows the location of the proposed horizontal well spacing unit.
- 4. Catena is targeting the First Bone Spring interval of the Bone Spring formation. **Exhibit B-2** is a subsea structure map that I prepared for this interval with 100-foot contours. The proposed horizontal well spacing unit is highlighted in red and the initial well is depicted with a green dashed line. Existing producing wells in the First Bone Spring interval are represented by solid orange lines. The structure map shows the Bone Spring dipping to the South. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells in this area.
- 5. **Exhibit B-2** also shows a cross-section dotted line in red running North to South reflecting four wells penetrating the Bone Spring formation that I used to construct a stratigraphic

cross-section from A to A'. These wells contain good logs and I consider them representative of the geology in the subject area.

- 6. **Exhibit B-3** is a stratigraphic cross-section that I prepared using the logs from the four wells noted on Exhibit B-2. Each well in the cross-section contains the gamma ray in the first track, and resistivity in the second track. The initial target interval is labeled and marked. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.
- 7. **Exhibit B-4** is a Gross Isopach map of the First Bone Spring interval. The proposed horizontal well spacing unit is highlighted in red and the initial well is depicted with a green dashed line. Existing producing wells in the First Bone Spring are represented by solid orange lines. The anticipated gross thickness of the First Bone Spring interval is 200 to 250 ft. The gross isopach map demonstrates that the First Bone Spring interval is present across the proposed spacing unit. The location of the previous cross-section from A-A' in Exhibit B-2 is also shown as a dotted red line on this map.
- 8. In my opinion the stand-up orientation of the proposed well is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.
- 9. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will be productive and contribute proportionately to the production from the well.
- 10. In my opinion, the granting of Catena's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

- 11. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
- 12. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony in paragraphs 1 through 11 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

Catherine Henry

5 20 2022 Date Catena Resources Operating, LLC Case No. 22739 Exhibit B-1

Exhibit B-1: Locator Map





First Bone Spring Second Bone Spring Third Bone Spring

Wolfcamp A

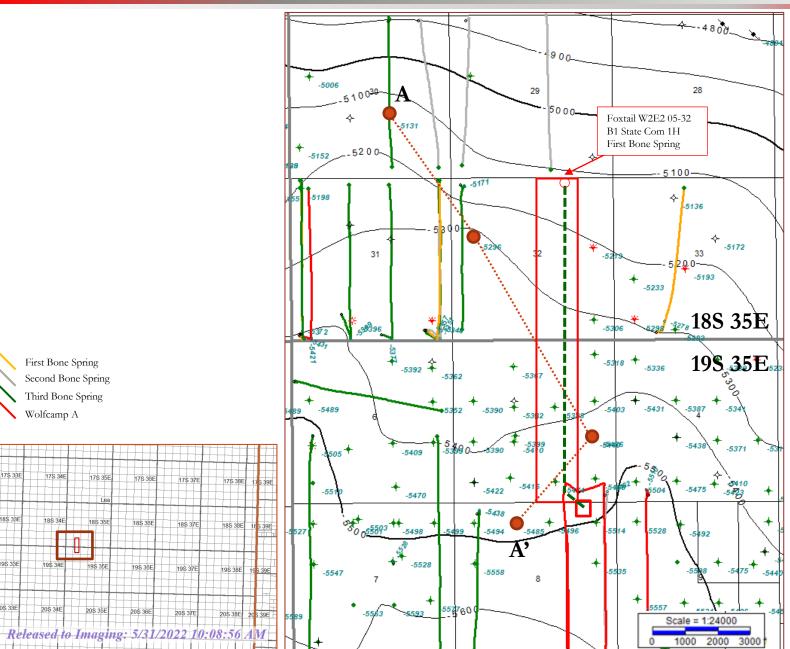
Exhibit B-2: First Bone Spring Structure SSTVD

Case No. 22739 Exhibit B-2

Contour Interval = 100'

Catena Resources Operating, LLC



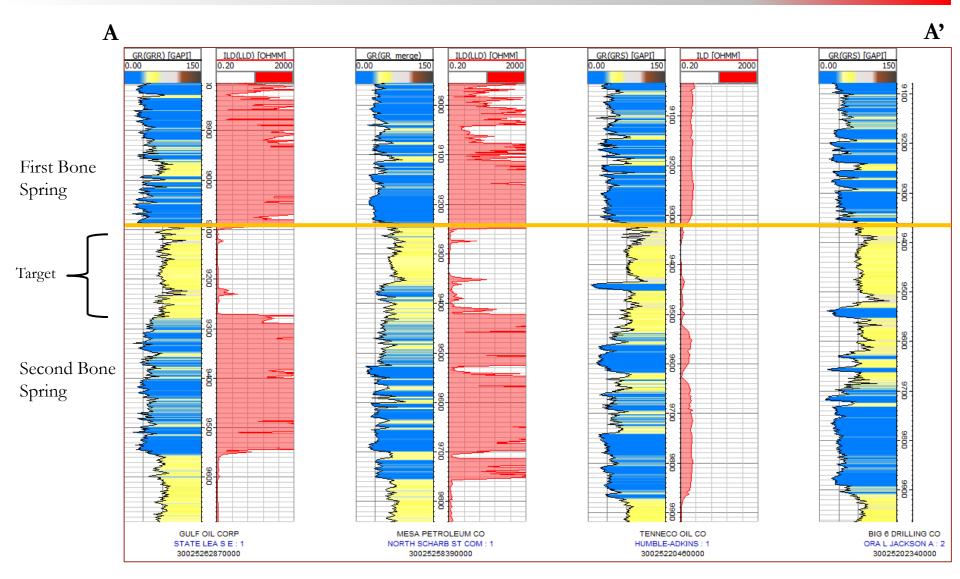


Catena Resources Operating, LLC

Case No. 22739



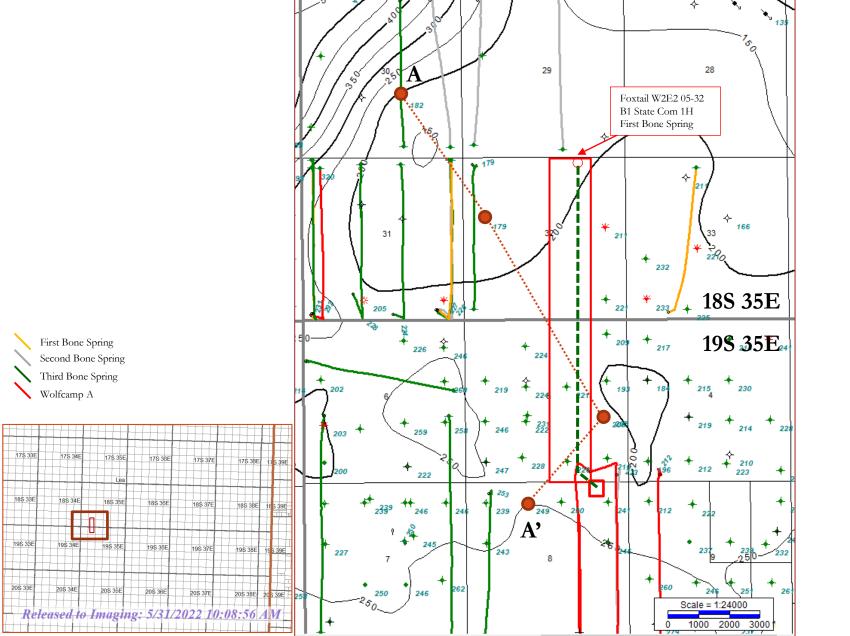
Exhibit B-3: Stratigraphic Cross section A-A' – First Bone Spring Datum



Catena Resources Operating, LLC Case No. 22739

ATENA RESOURCES





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

**CASE NO. 22739** 

## SELF-AFFIRMED STATEMENT OF DANA S. HARDY

- I am attorney in fact and authorized representative of Catena Resources Operating,
   LLC, the Applicant herein.
  - 2. I am familiar with the Notice Letters attached as Exhibit C-1.
- 3. The above-referenced Application was provided, along with the Notice Letters, to the recipients listed in Exhibit C-2. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received and includes copies of the certified mail green cards and white slips as supporting documentation for proof of mailing.
- 4. On May 12, 2022, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as Exhibit C-3.
- 5. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 4 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy May 31, 2022
Dana S. Hardy Date

Catena Resources Operating, LLC Case No. 22739 Exhibit C



#### HINKLE SHANOR LLP

ATTORNEYS AT LAW
PO BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

April 5, 2022

# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

#### TO ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Case No. 22739 - Application of Catena Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that Catena Resources Operating, LLC filed the enclosed application with the New Mexico Oil Conservation Division. The hearing will be conducted on May 5, 2022 beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <a href="http://www.emnrd.state.nm.us/OCD/announcements.html">http://www.emnrd.state.nm.us/OCD/announcements.html</a>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be filed at the Division's Santa Fe office or electronically submitted to ocd.hearings@state.nm.us and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please do not hesitate to contact me if you have any questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

Catena Resources Operating, LLC Case No. 22739 Exhibit C-1



### HINKLE SHANOR LLP

ATTORNEYS AT LAW
PO BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

May 5, 2022

### <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

#### TO ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Case No. 22739 - Application of Catena Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that Catena Resources Operating, LLC filed the enclosed application with the New Mexico Oil Conservation Division. The hearing will be conducted on **June 2, 2022** beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <a href="http://www.emnrd.state.nm.us/OCD/announcements.html">http://www.emnrd.state.nm.us/OCD/announcements.html</a>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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Please do not hesitate to contact me if you have any questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

PO BOX 10
ROSWELL, NEW MEXICO 88202
575-622-6510
(FAX) 575-623-9332
Released to Imaging: 5/31/2022 10:08:56 AM

PO BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623 7601 JEFFERSON ST NE • SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321

APPLICATION OF CATENA RESOURCES OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 22739

### NOTICE LETTERS

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
David William Bowman P.O. Box 107 Grass Valley, CA 95945	05/05/22	05/26/22
Eric J. Bowman P.O. Box 374 Orinda, CA 94563-0374	05/05/22	05/17/22
The Brady Family Trust u/d 6/1/94 P.O. Box 8695 Springdale, AR 72766	04/05/22	05/16/22 Return to sender/ Unable to forward.
The Brady Family Trust u/d 6/1/94 P.O. Box 8695 Springdale, AR 72766	05/05/22	Per USPS Tracking – delivery attempted and now available for pickup Springdale, AR
Mary Debora Brady 1804 Lake Crest Lane Plano, TX 75023	04/05/22	4/14/22
Mary Debora Brady 1804 Lake Crest Lane Plano, TX 75023	05/05/22	05/12/22
Coert Holding 1, LLC 910 Louisiana Street, Suite 2400 Houston, TX 77002	04/05/22	4/11/22
Coert Holding 1, LLC 910 Louisiana Street, Suite 2400 Houston, TX 77002	05/05/22	05/13/22
Catherine Coll, Trustee of the Testamentary Trust created u/w/o Max W. Coll, II 83 La Barberia Trail Santa Fe, NN 87505	04/05/22	4/13/22

Catena Resources Operating, LLC Case No. 22739 Exhibit C-2

APPLICATION OF CATENA RESOURCES OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 22739

### NOTICE LETTERS

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Catherine Coll, Trustee of the Testamentary Trust created u/w/o Max W. Coll, II 83 La Barbaria Trail Santa Fe, NN 87505	05/05/22	05/25/22
Mary Louise Galbreath 37 Scarborough Rd. Manchester, CT 06040	04/05/22	5/6/22 Return to Sender. Unable to forward.
Mary Louise Galbreath 37 Scarborough Rd. Manchester, CT 06040	05/05/22	5/24/22 Return to Sender Unable to forward.
Great Western Drilling, Ltd. P.O. Box 1659 Midland, TX 79702	04/05/22	4/26/22
Great Western Drilling, Ltd. P.O. Box 1659 Midland, TX 79702	05/05/22	05/17/22
Jean Ann Pepper Johnson 401 North Broad Street Galesburg, IL 61401	05/05/22	05/17/22
Christine Klover 5703 W. Parapet Court Boise, ID 83703	05/05/22	05/12/22
Ruth V. Klover 13198 S. Outer Forty Road. Apt. 213 Chesterfield, MO 6301	05/05/22	05/13/22
William Kristoph Klover 2821 Truman Avenue Oakland, CA 94605	05/05/22	05/12/22

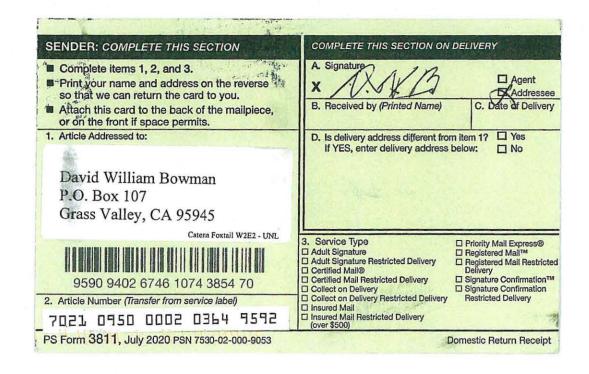
APPLICATION OF CATENA RESOURCES OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 22739

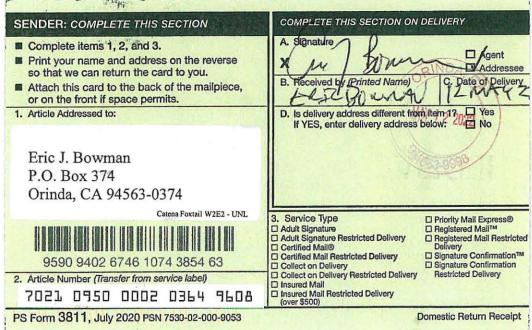
### NOTICE LETTERS

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Kristi Rose Minerals 152 B Arroyo Hondo Road Santa Fe, NM 87508	04/05/22	4/11/22
McCombs Exploration, LLC 750 East Mulberry Ave., Suite 403 San Antonio, TX 78212	04/05/22	4/14/22
McCombs Exploration, LLC Attn: Land Department 750 East Mulberry Ave., Suite 403 San Antonio, TX 78212	05/05/22	05/13/22
The Avis K. Miller Trust u/d/d June 10, 1986 c/o JPMORGAN Chase Bank NA P.O. Drawer #99084 Fort Worth, TX 76199-0084	04/05/22	4/20/22
David Cullum Miller 502 W. 16 <sup>th</sup> Street Houston, TX 77008-3602	05/05/22	Per USPS Tracking – In- Transit
Burl Nelson Pepper II 1370-D Kamahele Street Kailua, HI 96734	05/05/22	05/17/22
Kathleen Stockton 2310 W. Lemhi Street Boise, ID 83705-3519	05/05/22	05/13/22

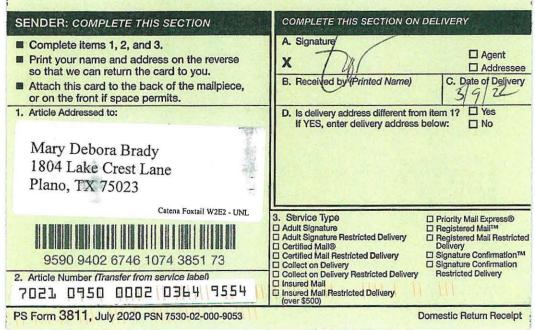




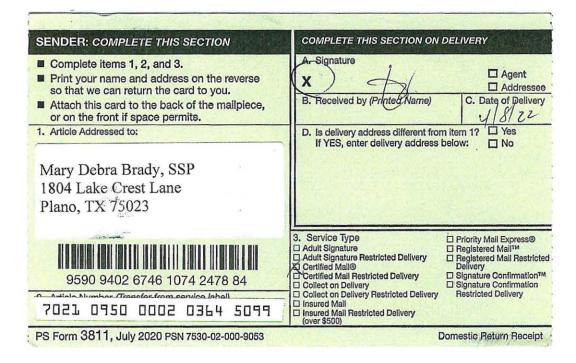




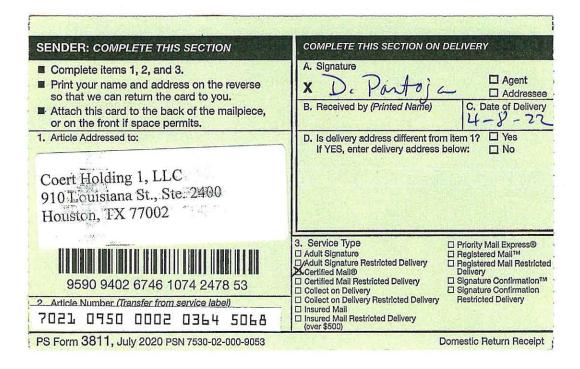




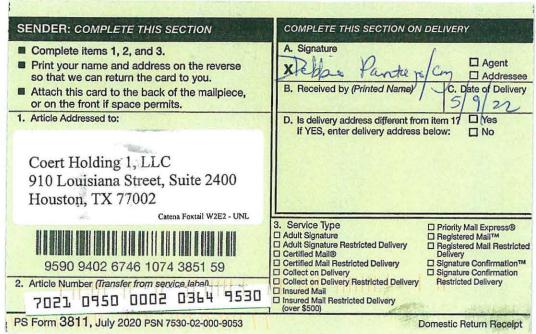




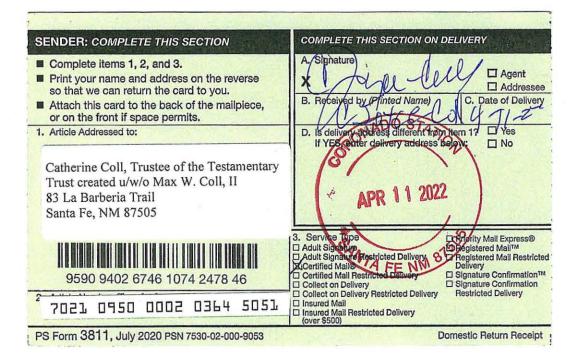












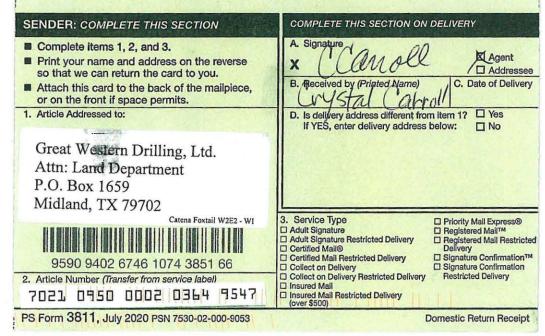




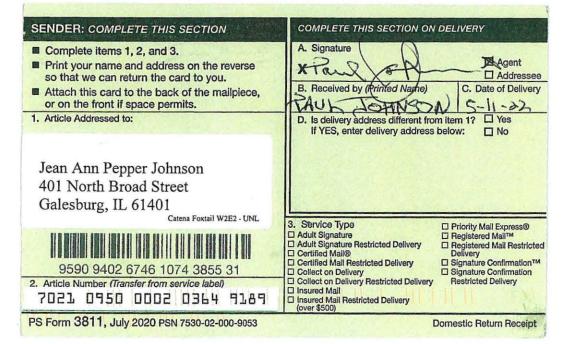


A STATE OF THE STA	A STATE OF THE PROPERTY OF THE	DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature  X JULY C.  Received by (Printed Name)	☐ Agent ☐ Addressee ☐ C. Date of Delivery
Great Western Drilling, Ltd. Attn: Land Department P.O. Box 1659 Midland, TX 79702	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	
9590 9402 6746 1074 2478 60  2. Article Number (Transfer from service label) 7021 0950 0002 0364 5075	3. Service Type  Adult Signature  Adult Signature Restricted Delivery  Certified Mail®  Certified Mail®  Collect on Delivery  Collect on Delivery Restricted Delivery  Insured Mail  Insured Mail  (over \$500)	□ Priority Mail Express® □ Registered Mail™ □ Registered Mail Restricted Delivery □ Signature Confirmation™ □ Signature Confirmation Restricted Delivery

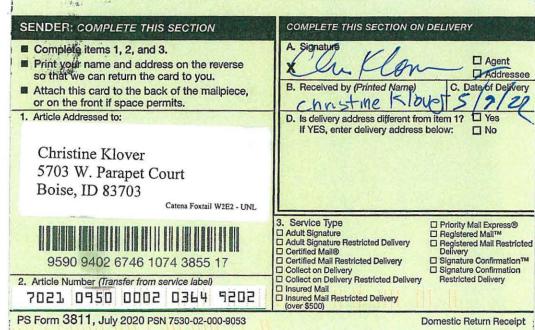




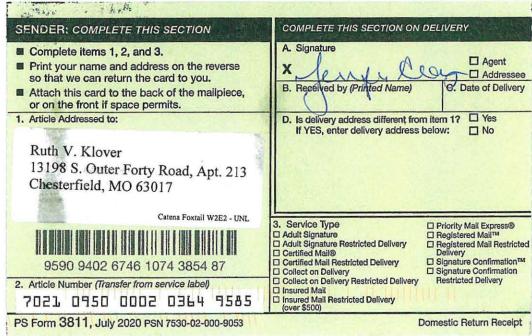












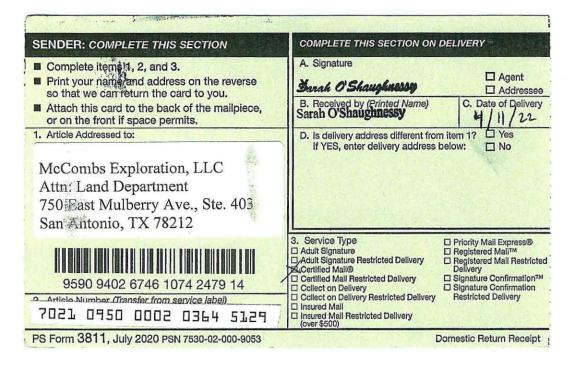






SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature  X  B. Received by (Printed Name)	Addressee C. Date of Delivery
1. Article Addressed to:  Kristi Rose Minerals, LLC 152 B Arroyo Hondo Road Santa Fe, NM 87508	D. Is delivery address different from If YES, enter delivery address to	
9590 9402 6746 1074 2478 77  2 Article Number (Transfer from service label)  7021 0950 0002 0364 5082	3. Service Type  Adult Signature Certified Mail® Certified Mail Restricted Delivery Collect on Delivery Collect on Delivery Insured Mail Insured Mail Insured Mail Insured Mail (over \$500)	□ Priority Mail Express® □ Registered Mail™ □ Registered Mail Restricted Delivery □ Signature Confirmation™ □ Signature Confirmation Restricted Delivery
PS Form 3811, July 2020 PSN 7530-02-000-9053	, E	omestic Return Receipt





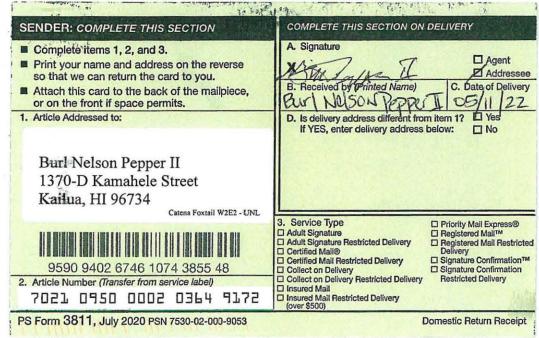


SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
Complete items 1, 2, and 3.  Print your name and address on the reverse so that we can return the card to you.	A. Signature	☐ Agent ☐ Addressee
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	
McCombs Exploration, LLC		
Attn: Land Department		
750 East Mulberry Ave. Suite 403		
San Antonio, TX 78212		
Catena Foxtail W2E2 - WI 9590 9402 6746 1074 3855 55	3. Service Type □ Priority Mail Express □ Adult Signature □ Registered Mail™ □ Adult Signature Restricted Delivery □ Certified Mail Restricted Delivery □ Certified Mail Restricted Delivery □ Collect on Delivery □ Signature Confirmati	
2. Article Number (Transfer from service label) 7021 0950 0002 0364 9165	☐ Collect on Delivery Restricted Delivery ☐ Insured Mail ☐ Insured Mail Restricted Delivery (over \$500)	Restricted Delivery
PS Form 3811, July 2020 PSN 7530-02-000-9053		omestic Return Receipt











COMPLETE THIS SECTION ON DELIVERY	
A. Signature  X  B. Received by (Printed Name)	☐ Agent ☐ Addressee ☐ C. Date of Delivery
3. Service Type  Adult Signature Restricted Delivery  Adult Signature Restricted Delivery  Certified Mail®  Certified Mail Restricted Delivery  Collect on Delivery  Collect on Delivery Restricted Delivery Insured Mail  Insured Mail Restricted Delivery (over \$500)	☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricte Delivery☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery
	A. Signature  X  B. Received by (Printed Name)  D. Is delivery address different from If YES, enter delivery address I  3. Service Type  Adult Signature  Adult Signature Restricted Delivery  Certified Mail®  Certified Mail Restricted Delivery  Collect on Delivery  Collect on Delivery  Insured Mail  Insured Mail  Insured Mail Restricted Delivery



HINKLE SHANOR LLP ATTORNEYS AT LAW

POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504

# CERTIFIED MAIL



7021 0950 0002 0364 5112

ZIP 87501

RECEIVED

MAY 16 2022

Hinkle Shanor LLP Santa Fe NM 87504 The Brady Family Trust u/d June 1, 1994 P.O. Box 8695

Springdale, AR 72766

NIXIE

722 DE 1 0005/10/22

RETURN TO SENDER UNCLAIMED UNABLE TO FORWARD

87504>2068 BC: 87594296868

\*2255-00799-05-42 Սիրհրդելու հորդի հիրդին հետ իրիրդում հրդանին հետ

Released to Imaging: 5/31/2022 10:08:56 AM



HINKLE SHANOR LLP ATTORNEYS AT LAW POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504



7021 0950 0002 0364 5136

Mary Louise Galbreath 37 Scarborough Rd. Manchester, CT 06040 FIRST-0006052409



RECEIVED

MAY - 6 2022

Hinkle Shanor LLP Ganta Fe NM 87504 BBB4/7B

87504206868

\*2255-00805-05-4 

Released to Imaging: 5/31/2022 10:08:56 AM

Received by OCD: 5/31/2022 8:43:02 AM, U.S. Postal Service **CERTIFIED MAIL® RECEIPT** 9141 Domestic Mail Only For delivery information, visit our website at www.usps.com®. Certified Mail Fee m Extra Services & Fees (check box, add fee as epopol Return Receipt (hardcopy) Return Receipt (electronic) Certified Mail Restricted Delivery Adult Signature Required Adult Signature Restricted Delivery \$ 50 60 Total Postage and Fees 김 Sent To Mary Louise Galbreath 7 Street . 37 Scarborough Rd Manchester, CT 06040 City, St. Catena Foxtail W2E2 - UNL PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

### HINKLE SHANOR LLP ATTORNEYS AT LAW

POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504

7021 0950 0002 0364 9143

RECEIVED

MAY 2 4 2022

Hinkle Shanor LLP Santa Fe NM 87504

\_. 9327000098719815

Mary Louise Galbreath 37 Scarborough Rd Manchester, CT 06040

> Catena Foxtail W2E2 - UNL 22739



NIXIE

0005/19/22

RETURN TO SENDER TEMPTED - NOT KNOWN UNABLE TO FORWARD

BC: 87504206868 

\*0968-07221-05-41





# **USPS Tracking®**

FAQs >

#### Track Another Package +

**Tracking Number:** 70210950000203649691

Remove X

This is a reminder to arrange for redelivery of your item or your item will be returned to sender.

USPS Tracking Plus<sup>®</sup> Available ✓

## Reminder to Schedule Redelivery of your item

Get Updates ✓

### **Text & Email Updates**



#### **Tracking History**



Reminder to Schedule Redelivery of your item

This is a reminder to arrange for redelivery of your item or your item will be returned to sender.

May 9, 2022, 9:33 am

Available for Pickup SPRINGDALE, AR 72766

May 8, 2022, 8:15 pm

Departed USPS Regional Facility

**FAYETTEVILLE AR DISTRIBUTION CENTER** 

#### May 8, 2022, 12:23 am Arrived at USPS Regional Facility **FAYETTEVILLE AR DISTRIBUTION CENTER**

May 7, 2022 In Transit to Next Facility	
May 5, 2022, 9:27 pm	
Departed USPS Facility	
ALBUQUERQUE, NM 87101	
May 5, 2022, 8:51 pm	
Arrived at USPS Facility	
ALBUQUERQUE, NM 87101	
USPS Tracking Plus®	<u> </u>

#### See Less ^

**Tracking Number:** 70210950000203649721

Remove X

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

USPS Tracking Plus<sup>®</sup> Available ✓

**Product Information** 

### In Transit to Next Facility

May 13, 2022

Get Updates ✓

# **Text & Email Updates Tracking History** May 13, 2022 In Transit to Next Facility Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility. May 9, 2022, 1:52 am Departed USPS Regional Facility NORTH HOUSTON TX DISTRIBUTION CENTER May 7, 2022, 9:44 am Arrived at USPS Regional Facility NORTH HOUSTON TX DISTRIBUTION CENTER May 5, 2022, 9:14 pm Departed USPS Facility ALBUQUERQUE, NM 87101 May 5, 2022, 8:51 pm Arrived at USPS Facility ALBUQUERQUE, NM 87101 **USPS Tracking Plus® Product Information**

See Less ^

# Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

**FAQs** 

# Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated May 12, 2022 and ending with the issue dated May 12, 2022.

Publisher

Sworn and subscribed to before me this 12th day of May 2022.

**Business Manager** 

My commission expires January 29, 2023

(Seal)

GUSSIE BLACK Notary Public - State of New Mexico Commission # 1087526 My Comm, Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

May 12, 2022

This is to notify all interested parties, including Catherine Coll, Trustee of the Testamentary Trust created u/w/o Max: W. Coll, II; Coert Holding 1, LLC; Great Western Drilling, Ltd; Mary Debora Brady; Mary Louise Galbreath; The Brady Family Trust u/d June 1, 1994; McCombs Exploration, LLC; Burl Nelson Pepper II; Jean Ann Pepper Johnson; Christine Klover; Kathleen Stockton; William Kristoph Klover; Ruth v. Klover; David William Bowman; Eric J. Bowman; David Cullum Miller; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Catena Resources Operating, LLC (Case No. 22739). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on June 2, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <a href="http://www.emnrd.state.nm.us/OCD/hearings.html">http://www.emnrd.state.nm.us/OCD/hearings.html</a>. Applicant applies for an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the W/2 E/2 of Section 5, Township 19 South, Range 35 East and the W/2 E/2 of Section 32, Township 18 South, Range 35 East, Lea County, New Mexico. The Unit will be dedicated to the Foxtail W2E2 32 05 B1 State Com 1H well ("Well"), which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 8 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 32. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the Cost, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 20 miles West of Hobbs, New Mexico.

02107475

GILBERT HINKLE, SHANOR LLP PO BOX 2068 SANTA FE, NM 87504 00266708

Catena Resources Operating, LLC Case No. 22739 Exhibit C-3