

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING OCTOBER 08, 2020**

CASE No. 21461

RAMBO 193517 #3H WELL

LEA COUNTY, NEW MEXICO



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

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

CASE NO. 21461


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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21461	APPLICANT'S RESPONSE
Date: October 8, 2020	
Applicant	Catena Resources Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Catena Resources Operating, LLC (OGRID No. 328449)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF CATENA RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Marathon Oil Permian, LLC
Well Family	Rambo 193517 3H well
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	Scharb; Wolfcamp (55640)
Well Location Setback Rules:	Statewide horizontal oil well rules
Spacing Unit Size:	640-acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal well spacing unit
Size (Acres)	640 acres, more or less
Building Blocks:	quarter-quarter sections
Orientation:	North to South
Description: TRS/County	W/2 of Sections 8 and 17, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	None
Proximity Tracts: If yes, description	W/2 E/2 Sections 8 and 17
Proximity Defining Well: if yes, description	Rambo 193517 3H well
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Rambo 193517 #3H well (API # 30-025-pending) SHL: 190' <u>FNL</u> & 1230' <u>FWL</u> (Unit D), Sec. 20, T19S, R35E BHL: 100' <u>FNL</u> & 1280' <u>FWL</u> (Unit D), Sec. 8, T19S, R35E Completion target: Wolfcamp Well orientation: South to North Completion location: expected to be: proximity tract well
Horizontal Well First and Last Take Points	See Exhibit A-1
Completion Target (Formation, TVD and MD)	See Exhibit B
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	See Exhibit A
Requested Risk Charge	200%

Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit A-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit A-2
Well Orientation (with rationale)	Exhibit B-1
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-2
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-1
Cross Section (including Landing Zone)	Exhibit B-2
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	
Date:	6-Oct-20

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

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

CASE NO. 21461

APPLICATION

Catena Resources Operating, LLC ("Applicant") (OGRID No. 328449), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 8 and 17, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. In support 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 initially dedicate the above-referenced spacing unit to the proposed initial **Rambo 193517 3H well** to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 8.
3. The completed interval for the proposed well will remain within 330 feet of the W/2 E/2 of Sections 8 and 17 to include this offsetting acreage in a standard horizontal well spacing unit.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. 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 the proposed well and horizontal spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 8, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial well thereon;
- B. Designating Applicant as operator of the horizontal spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. 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
- E. Imposing a 200% charge 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,

HOLLAND & HART LLP



By: _____

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Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

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ATTORNEYS FOR

CATENA RESOURCES OPERATING, LLC

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

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

CASE NOS. 21461

AFFIDAVIT OF ROBERT SWANN

Robert Swann, of lawful age and being first duly sworn, declares as follows:

1. My name is Robert Swann. I am a Land Manager with Catena Resources Operating, LLC ("Catena").
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Catena in this case, and I am familiar with the status of the lands in the subject area.
4. The uncommitted parties have not indicated any opposition to this pooling application proceeding by affidavit, and I do not expect any opposition at the hearing.
5. Catena seek an order pooling all uncommitted interests in the Wolfcamp formation [Scharb; Wolfcamp Pool (55640)] underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 8 and 17, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
6. Catena seeks to initially dedicate this spacing unit to the proposed **Rambo 193517 3H well** to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 8. The completed interval for

the proposed well will remain within 330 feet of the W/2 E/2 of Sections 8 and 17 to include this offsetting acreage in a standard horizontal well spacing unit.

7. **Exhibit A-1** contains the Form C-102 for the proposed well.

8. **Exhibit A-2** is a general location map outlining the acreage being pooled and the lateral trajectory of the proposed well. The acreage is comprised of fee lands.

9. **Exhibit A-3** identifies the tracts of land comprising the proposed spacing unit, the working interest ownership in each tract and their respective interest in the horizontal spacing unit. The mineral owners that remain to be pooled are highlighted on Exhibit A-3.

10. No ownership depth severances exist within in the Wolfcamp formation underlying the subject acreage.

11. Catena has conducted a diligent search of company records, county records, telephone directories and conducted computer searches to locate contact information for each of the mineral owners that it seeks to pool.

12. **Exhibit A-4** contains a sample of the letter and AFE for the proposed well sent to the working interest owners that Catena has been able to locate. The costs reflected on the AFE are consistent with what Catena and other operators have incurred for drilling similar horizontal wells in the area in this formation.

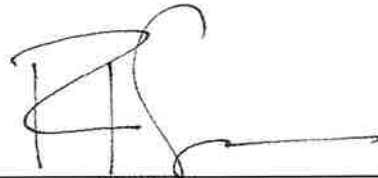
13. **Exhibit A-5** contains a chronology of the contacts with the uncommitted mineral owners Catena was able to locate. Catena has made a good faith effort to obtain voluntary joinder of these owners in the proposed wells.

14. Catena requests overhead and administrative rates of \$8,000 per month for drilling and \$800 per month for a producing well. These rates are consistent with the rates charged by Catena and other operators for similar wells in this area.

15. I have provided the law firm of Holland and Hart, LLP, with the names and addresses (where available) of the mineral owners that Catena seeks to pool and instructed that they be notified of this hearing.

16. Exhibits A-1 through A-5 were prepared by me or compiled under my direction from company business records.

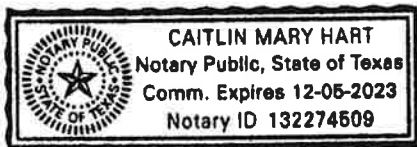
FURTHER AFFIANT SAYETH NAUGHT.



ROBERT SWANN

STATE OF TEXAS)
)
COUNTY OF BEXAR)

SUBSCRIBED and SWORN to before me this 6th day of October 2020 by
Robert Swann.



NOTARY PUBLIC

My Commission Expires:

12/05/2023

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 55640	³ Pool Name Scharb; Wolfcamp
⁴ Property Code	⁵ Property Name Rambo 193517	⁶ Well Number 3H
⁷ OGRID No. 328449	⁸ Operator Name Catena Resources Operating, LLC	⁹ Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	19S	35E		190'	FNL	1230'	FWL	Lea

¹¹ 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	East/West line	County
D	8	19S	35E		100'	FNL	1280'	FWL	Lea

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
640		COM	

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

L 7	SESW	SWSE	SESE	SWSW	SESW	05	SWSE	SESE	SWSW	SESW
L 1	NENW	NWNE	NENE	3H BHL & LTP 100' FNL 1280' FWL 8 19S 35E	NENW	NWNE	NENE	NWNW	NENW	
L 2	SESW	SWNE	SENE	SWNW	SESW	SWNE	SENE	SWNW	SESW	
L 3	NESW	NWSE	NESE	NWSW	NESW	NWSE	NESE	NWSW	NESW	
L 4	SESW	SWSE	SESE	SWSW	SESW	SWSE	SESE	SWSW	SESW	
L 1	NENW	NWNE	NENE	NWNW	NENW	NWNE	NENE	NWNW	NENW	
L 2	SESW	SWNE	SENE	SWNW	SESW	SWNE	SENE	SWNW	SESW	
L 3	NESW	NWSE	NESE	NWSW	NESW	NWSE	NESE	NWSW	NESW	
L 4	SESW	SWSE	SESE	SWSW	SESW	SWSE	SESE	SWSW	SESW	
L 1	NENW	NWNE	NENE	NWNW	NENW	NWNE	NENE	NWNW	NENW	
L 2	SESW	SWNE	SENE	SWNW	SESW	SWNE	SENE	SWNW	SESW	
L 3	NESW	NWSE	NESE	NWSW	NESW	NWSE	NESE	NWSW	NESW	
L 4	SESW	SWSE	SESE	SWSW	SESW	SWSE	SESE	SWSW	SESW	
L 1	NENW	NWNE	NENE	NWNW	NENW	NWNE	NENE	NWNW	NENW	

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or work interest, or to a voluntary pooling agreement or compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey _____

Signature and Seal of Professional Surveyor: _____

Certificate Number _____

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A1

Submitted by: Catena Resources Operating, LLC

Hearing Date: October 08, 2020

Case No. 21461

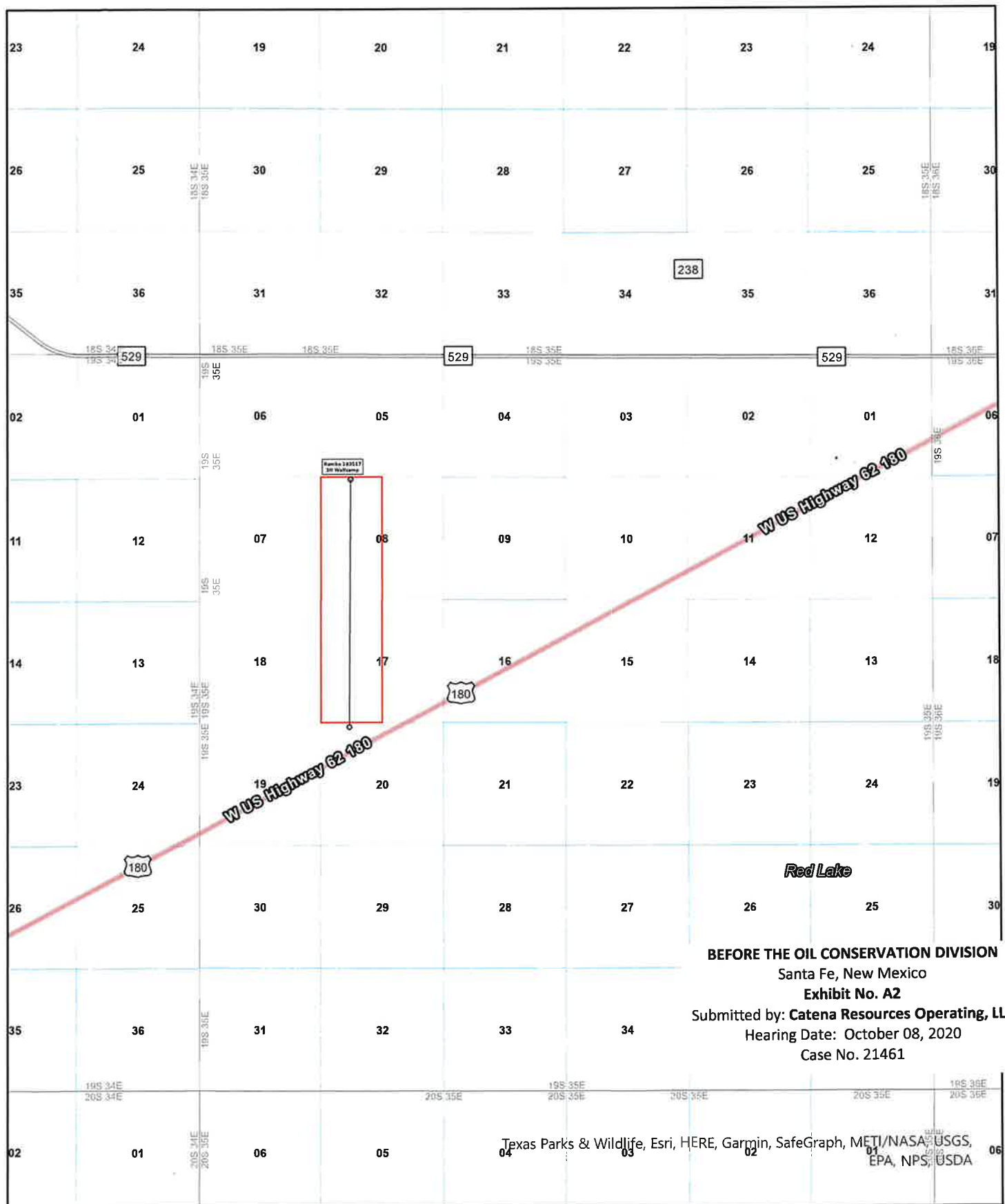
Catena Resources Operating, LLC

Unit Name: Rambo 193517

Well Name: Rambo 193517

Well No: 3H

Case Number: 21461



Catena Resources Operating, LLC

Unit Name: Rambo 193517

Well Name: Rambo 193517

Well No: 3H

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

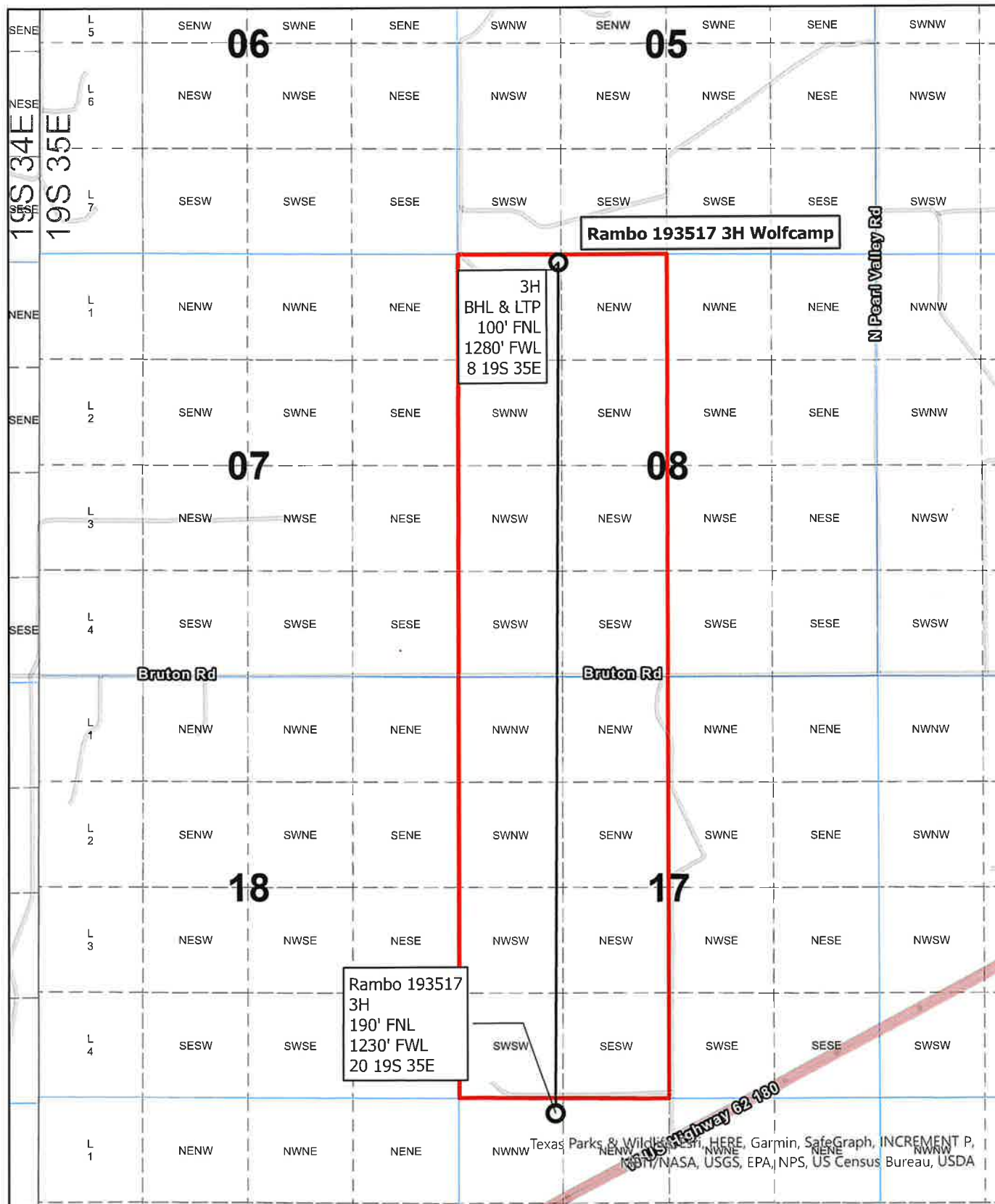
Exhibit No. A3

Submitted by: Catena Resources Operating, LLC

Hearing Date: October 08, 2020

Case No. 21461

Case Number: 21461



Tract No	Proposed Unit Gross	Record WI Owner	WC WI	Gross	Property Description	S	T	R	NMA	Tract WI	Tract Participation
1	640	Catena Resources Operating, LLC	100.00%	120	E2NW, NESW	8	19S	35E	120	18.75%	18.75%
2	640	COG	44.79%	120	W2NW, NWSW	8	19S	35E	53.75	8.40%	18.75%
2	640	Catena Resources Operating, LLC	50.00%	120	W2NW, NWSW	8	19S	35E	60	9.38%	18.75%
2	640	Davis Partners, LTD	5.21%	120	W2NW, NWSW	8	19S	35E	6.25416	0.98%	18.75%
3	640	COG	100.00%	40	SWSW	8	19S	35E	40	6.25%	6.25%
4	640	Catena Resources Operating, LLC	75.00%	40	SESW	8	19S	35E	30	4.69%	6.25%
4	640	COG	25.00%	40	SESW	8	19S	35E	10	1.56%	6.25%
5	640	COG	100.00%	80	N2NW	17	19S	35E	80	12.50%	12.50%
6	640	COG	100.00%	80	S2NW	17	19S	35E	80	12.50%	12.50%
7	640	COG	100.00%	80	N2SW	17	19S	35E	80	12.50%	12.50%
8	640	COG	100.00%	80	S2SW	17	19S	35E	80	12.50%	12.50%

Record WI Owner	WC WI	NMA WC
Catena Resources Operating, LLC	32.81%	210
COG	66.21%	423.75
Davis Partners, LTD	0.98%	6.25416
Totals	100.00%	640.0042



July 23, 2020
Via Certified Mail

Re: **Rambo 193517 3H Well Proposal**
Wolfcamp Formation
W/2 of Section 17 T19S, 35E, and Section 8, T19S, R35E
Lea County, New Mexico

Rambo 193517 4H Well Proposal
Bone Springs Formation
W/2 of Section 17 T19S, 35E, and Section 8, T19S, R35E
Lea County, New Mexico

Ladies and Gentlemen,

Catena Resources Operating, LLC ("Catena") as Operator hereby proposes to drill the following wells to a depth sufficient to test the Wolfcamp and Bone Spring formations:

Well Name	SHL Sec. 20	BHL Sec. 8	Spacing Unit 640 Acres	Target TVD	Estimated TMD
Rambo 193517 3H Wolfcamp Formation	FSL: 190' FWL: 1230'	FSL: 100' FWL: 1280'	W/2 of Section 17, T19S, 35E and Section 8, T19S, R35E	10,054'	20,758'
Rambo 193517 4H Bone Spring Formation	FSL: 190' FWL: 1330'	FSL: 100' FWL: 1280'	W/2 of Section 17, T19S, 35E and Section 8, T19S, R35E	9,785'	20,489'

These proposed locations and target depths are subject to change depending on any surface or subsurface concerns encountered.

Regarding the above, enclosed for your further handling are our AFE's dated April 16, 2020 for the proposed wells. The AFE's represent an estimate of the costs that will be incurred to drill and complete the wells, but those electing to participate in the wells are responsible for their proportionate share of the actual costs incurred. In the event you elect to participate in the proposed wells, please execute the enclosed AFE's and return to me. We are happy to furnish you with a proposed Joint Operating Agreement upon request. Please respond within 30 days of receiving this notice. If you do not wish to participate, Catena proposes to acquire your interest via term assignment subject to due diligence and title verification satisfactory to Catena.

Should you have any questions regarding the above, please email me at rswann@catenares.com or call me at (210) 775-6993.

Sincerely,

Catena Resources Operating, LLC

Robert Swann

Land Manager

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico


Exhibit No. A4

Submitted by: **Catena Resources Operating, LLC**

Hearing Date: October 08, 2020

Case No. 21461



		WELL COST ESTIMATE				AFE NO.		
		WELL NAME: Rancho 193517 3H LOCATION: 2.0 sec. lateral, Les County, NM OBJECTIVE: Wolfcamp	DATE: 16-Apr-20 START DATE: COMPLETE DATE: ORIGINAL: SUPPLEMENT:					
INTANGIBLE COSTS		ACCT CODE	DRILLING - 310XX	ACCT CODE	COMPLETION - 320XX	ACCT CODE	FACILITIES - 330XX	TOTAL
Legal Fees / Title Opinion	31001	\$60,000	32001	\$0	33001	\$0	\$60,000	
Surveys / Staking / Permits / Bonds / Regulatory	31002	\$25,700	32002	\$0	33002	\$0	\$25,700	
ROW / Surface Damages	31003	\$60,000	32003	\$0		\$0	\$60,000	
Roads & Location / Reserve Pit - Construction	31004	\$80,000	32004	\$0		\$0	\$80,000	
Roads & Location / Reserve Pit - Reclamation	31005		32005	\$0		\$0	\$0	
Frac Pond	31006		32006	\$0		\$0	\$0	
Gate Guard	31007		32007	\$0		\$0	\$0	
Moose / Rathole / Conductor	31008	\$19,000		\$0		\$0	\$19,000	
Mobilization / Demobilization	31009	\$230,675	32008	\$0		\$0	\$230,675	
Drilling - Daywork	31010	\$574,646		\$0		\$0	\$574,646	
Drilling - Footage	31011			\$0		\$0	\$0	
Drilling - Turnkey	31012			\$0		\$0	\$0	
Completion / Snubbing / Workover Unit	31013		32009	\$40,000		\$0	\$40,000	
Trailer House / Communications	31014	\$45,572	32010	\$24,200		\$0	\$69,772	
Drill Bits	31015	\$103,000	32011	\$0		\$0	\$103,000	
Directional Equipment / Gyro Surveys	31016	\$255,325	32012	\$0		\$0	\$255,325	
Downhole Tool / Stabilization Rental	31017	\$57,075	32013	\$34,000		\$0	\$91,075	
Mud / Chemicals	31018	\$222,558	32014	\$601,500		\$0	\$824,058	
Fuel / Power	31019	\$116,482	32015	\$471,800		\$0	\$588,282	
Water Supply Well, equipment	31020	\$2,603	32016	\$0		\$0	\$2,603	
Water / Water Hauling	31021		32017	\$816,550		\$0	\$816,550	
Offsite Water & Cuttings Disposal	31022	\$784,770	32018	\$39,600		\$0	\$824,370	
Transportation / Hauling	31023	\$31,000	32019	\$0	33009	\$15,000	\$46,000	
Inspection / Tubular Testing	31024	\$191,000	32020	\$0		\$0	\$191,000	
Laydown Machine / Casing Crew / Tongs	31025	\$62,190	32021	\$0		\$0	\$62,190	
Cementing / Float Equipment & Services	31026	\$65,072	32022	\$0		\$0	\$65,072	
Mud Logging	31027	\$35,343		\$0		\$0	\$35,343	
Logging - Open Hole	31028		32023	\$0		\$0	\$0	
Logging - Cased Hole	31029		32024	\$13,000		\$0	\$13,000	
Coring & Analysis, Drill Stem Test	31030			\$0		\$0	\$0	
Perforating	31031		32025	\$421,200		\$0	\$421,200	
Wireline / Slickline Services	31032		32026	\$15,000		\$0	\$15,000	
Equipment Rental	31033	\$163,808	32027	\$236,000		\$0	\$399,808	
Pumping Services/Rental	31034		32028	\$21,000		\$0	\$21,000	
Acidizing & Fracturing	31035		32029	\$2,478,000		\$0	\$2,478,000	
Coil Tubing Unit	31036		32030	\$120,000		\$0	\$120,000	
Flow Testing, Swabbing	31037		32031	\$95,875		\$0	\$95,875	
Flaring / Siderack Services	31038		32032	\$0		\$0	\$0	
Nipple Up / BOPE Testing	31039	\$8,400	32033	\$23,000		\$0	\$31,400	
Overhead	31040	\$8,000	32034	\$19,000		\$0	\$27,000	
Wellsite Consulting Services/Supervision	31041	\$170,628	32035	\$153,950	33003	\$20,000	\$344,578	
Engineering / Geological / Lab Service/Tracers and diagnostics	31042	\$25,000	32036	\$35,000		\$15,000	\$75,000	
Requisition / Contract Labor	31043	\$8,480	32037	\$0	33004	\$160,000	\$168,480	
Welding Services	31044	\$5,120	32038	\$0		\$0	\$5,120	
Insurance	31045	\$10,000	32039	\$0	33005	\$0	\$10,000	
Miscellaneous	31046		32040	\$0	33006	\$0	\$0	
P&A Costs	31047		32041	\$0		\$0	\$0	
Safety / DHS	31048		32042	\$6,610	33007	\$0	\$6,610	
5.5% Contingency (8% Taxes on Casing included in casing cost)	31049	\$141,873	32043	\$311,200		\$10,500	\$463,573	
NON-OP Drilling Intangible	31050		32044	\$0		\$0	\$0	
Pipeline Installation / Interconnect	31051		32045	\$0	33008	\$0	\$0	
TOTAL INTANGIBLE COSTS		\$2,981,422		\$5,969,385		\$220,500	\$8,171,307	
TANGIBLE COSTS		ACCT CODE	DRILLING - 311XX	ACCT CODE	COMPLETION - 321XX	ACCT CODE	FACILITIES - 331XX	TOTAL
Conductor	Size	Feet	\$/ft	31101				
Surface Casing	13 3/8"			31102	\$88,600			\$88,600
1st Intermediate Casing / Liner	9 5/8"			31103	\$113,200			\$113,200
2nd Intermediate Casing / Liner				31104				\$0
Production Casing / Liner	5 1/2"	21,500	\$18.00			32101	\$430,000	\$430,000
Casing Tie Back						32102		
Liner Hanger Assembly						32103		
Tubing	2.875	10,500	\$ 5.85			32104	\$61,425	\$61,425
Casing Equipment - OHMS / Etc.				31105	\$52,000	32105	\$31,200	\$83,200
Wellhead Equipment						32106	\$27,000	\$27,000
Pumping Unit / Prime Mover / Base						32107	\$0	\$0
Rods / Pony Rods / Sinker Bars						32108	\$0	\$0
Artificial Lift Other - Gas Lift						32109	\$14,000	\$14,000
Wellhead Equipment Completions - Production Tree						32110	\$42,000	\$42,000
Tanks / Tank Steps / Stairs						32111	\$0	\$0
Gas Treating / Dehydration Equipment						32112	\$0	\$0
Separation Equipment, Heater Treater						32113	\$0	\$0
Surface Pumps						32114	\$0	\$0
Filters						32115	\$0	\$0
Buildings						32116	\$0	\$0
Interconnect Piping / Manifolds / Headers						32117	\$0	\$0
Flowlines / Connections / Valves						32118	\$0	\$0
Automation / Instruments / Controls / Analyzers						32119	\$0	\$0
Electrical Equipment / Generators						32120	\$0	\$0
Compressor & Related Equipment						32121	\$0	\$0
Metering Equipment, LACT Unit						32122	\$0	\$0
Chemical Equipment / Cathodic Protection						32123	\$0	\$0
Subsurface Equipment - Packer, Plug, TAC						32124	\$11,000	\$11,000
Safety / DHS Equipment						32125	\$4,000	\$4,000
NON-OP Drilling Intangible						32126	\$0	\$0
Transfer/SWD Pumps & Equipment						32127	\$0	\$0
Rare / Combustor						32128	\$0	\$0
Miscellaneous				31106	\$11,680	32129	\$24,410	\$36,090
Contingency Costs				31107	\$245,490	32130	\$31,021	\$276,511
TOTAL TANGIBLE COSTS								\$6,645,451
TOTAL WELL COSTS								\$14,816,758
Prepared by: Travis Salinas		Title: Engineer						
This AFE is only an estimate. By returning one signed copy, you agree to pay your share of the actual costs incurred.								
Extra Expense Insurance								
<input type="checkbox"/> I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.								
<input type="checkbox"/> I elect to purchase my own well control insurance policy.								
<input type="checkbox"/> I have a checked above: non-operating working interest owner elects to be covered by Operator's well control insurance.								
Joint Owner Interest: _____ Amount: _____								
Joint Owner Name: _____ Signature: _____								

ATENA RESOURCES		WELL COST ESTIMATE				AFF NO.		
WELL NAME: Rambo 193517 4H LOCATION: 2 sec. lateral, Lee County, NM COUNTY / STATE: Bone Spring OBJECTIVE:		DATE: 16-Apr-20 START DATE: COMPLETE DATE: ORIGINAL: SUPPLEMENT:						
INTANGIBLE COSTS		ACCT CODE	DRILLING - 310XX	ACCT CODE	COMPLETION - 320XX	ACCT CODE	FACILITIES - 330XX	TOTAL
Legal Fees / Title Opinion	31001	\$50,000	32001	\$0	33001	\$0	\$50,000	
Surveys / Staking / Permits / Bonds / Regulatory	31002	\$25,700	32002	\$0	33002	\$0	\$25,700	
ROW / Surface Damages	31003	\$60,000	32003	\$0		\$0	\$60,000	
Roads & Location / Reserve Pit - Construction	31004	\$90,000	32004	\$0		\$0	\$90,000	
Roads & Location / Reserve Pit - Reclamation	31005		32005	\$0		\$0	\$0	
Frac Pond	31006		32006	\$0		\$0	\$0	
Gale Guard	31007		32007	\$0		\$0	\$0	
Mouse / Rathole / Conductor	31008	\$19,000		\$0		\$0	\$19,000	
Mobilization / Demobilization	31009	\$230,676	32008	\$0		\$0	\$230,676	
Drilling - Daywork	31010	\$475,000		\$0		\$0	\$475,000	
Drilling - Turnkey	31011			\$0		\$0	\$0	
Completion / Snubbing / Workover Unit	31012			\$0		\$0	\$0	
Trailer House / Communications	31013		32009	\$40,000		\$0	\$40,000	
Drill Bits	31014	\$43,672	32010	\$24,200		\$0	\$67,772	
Directional Equipment / Gyro Surveys	31015	\$85,000	32011	\$0		\$0	\$85,000	
Downhole Tool / Stabilization Rental	31016	\$275,000	32012	\$0		\$0	\$275,000	
Mud / Chemicals	31017	\$57,076	32013	\$34,000		\$0	\$91,076	
Fuel / Power	31018	\$200,000	32014	\$601,500		\$0	\$801,500	
Water Supply Well, equipment	31019	\$104,500	32015	\$471,800		\$0	\$576,300	
Water / Water Hauling	31020	\$3,503	32016	\$0		\$0	\$3,503	
Offsite Water & Cuttings Disposal	31021		32017	\$916,550		\$0	\$916,550	
Transportation / Hauling	31022	\$243,056	32018	\$30,800		\$0	\$273,856	
Inspection / Tubular Testing	31023	\$51,000	32019	\$0	33009	\$15,000	\$66,000	
Laydown Machine / Casing Crew / Tongs	31024	\$98,554	32020	\$0		\$0	\$98,554	
Cementing, Boat Equipment & Services	31025	\$88,245	32021	\$0		\$0	\$88,245	
Mud Logging	31026	\$82,458	32022	\$0		\$0	\$82,458	
Logging - Open Hole	31027	\$35,343		\$0		\$0	\$35,343	
Logging - Cased Hole	31028		32023	\$0		\$0	\$0	
Coring & Analysis, Drill Stem Test	31029		32024	\$13,000		\$0	\$13,000	
Perforating	31030			\$0		\$0	\$0	
Wireline / Slickline Services	31031		32025	\$421,200		\$0	\$421,200	
Equipment Rental	31032	\$149,680	32026	\$15,000		\$0	\$164,680	
Pumping Services/Rental	31033		32027	\$236,000		\$0	\$236,000	
Acidizing & Fracturing	31034		32028	\$21,000		\$0	\$21,000	
Coil Tubing Unit	31035		32029	\$2,175,000		\$0	\$2,175,000	
Flow Testing, Swabbing	31036		32030	\$120,000		\$0	\$120,000	
Fishing / Sidetrack Services	31037		32031	\$95,875		\$0	\$95,875	
Nipple Up / BOP Testing	31038		32032	\$0		\$0	\$0	
Overhead	31039	\$6,400	32033	\$23,000		\$0	\$29,400	
Wellsite Consulting Services/Supervision	31040	\$8,000	32034	\$19,500		\$0	\$27,500	
Engineering / Geological / Lab Service Tracers and diagnostics	31041	\$159,861	32035	\$163,950	33003	\$20,000	\$343,811	
Risklab / Contract Labor	31042	\$25,000	32036	\$35,000		\$15,000	\$75,000	
Welding Services	31043	\$9,460	32037	\$0	33004	\$160,000	\$169,460	
Insurance	31044	\$5,120	32038	\$0		\$0	\$5,120	
Miscellaneous	31045	\$10,000	32039	\$0	33005	\$0	\$10,000	
P&A Costs	31046		32040	\$0	33006	\$0	\$0	
Safety / E&S	31047		32041	\$0		\$0	\$0	
5.5% Contingency (8% Taxes on Casing included in casing cost)	31048	\$141,202	32042	\$8,610	33007	\$0	\$149,812	
NON-OP Drilling Intangible	31049		32043	\$311,200		\$10,000	\$321,200	
Pipeline Installation / Interconnect	31050		32044	\$0		\$0	\$0	
	31051		32045	\$0	33008	\$0	\$0	
TOTAL INTANGIBLE COSTS			\$2,708,624		\$5,665,385		\$8,694,409	
TANGIBLE COSTS		ACCT CODE	DRILLING - 311XX	ACCT CODE	COMPLETION - 321XX	ACCT CODE	FACILITIES - 331XX	TOTAL
Conductor	Size	Feet	\$/ft	31101				\$68,600
Surface Casing	13.38"			31102	\$69,600			\$112,200
1st Intermediate Casing / Liner	8.58"			31103	\$113,200			\$0
2nd Intermediate Casing / Liner				31104				\$0
Production Casing / Liner	8.12"	20,760	\$18.00			32101		\$373,600
Casing Tie Back						32102		\$0
Liner Hanger Assembly						32103		\$0
Tubing	2.875	10,000	\$ 5.85			32104		\$59,000
Casing Equipment - OHMS / Bc.				31105	\$26,750	32105		\$31,200
Wellhead Equipment						32106		\$53,750
Pumping Unit / Prime Mover / Base						32107	\$0	\$0
Rods / Pony Rods / Sinkers Bars						32108	\$0	\$0
Artificial Lift Other - Gas Lift						32109	\$14,000	\$14,000
Wellhead Equipment Completions - Production Tree						32110	\$42,000	\$42,000
Tanks / Tank Steps / Stairs						32111	\$0	\$66,000
Gas Treating / Dehydration Equipment						32112	\$0	\$0
Separation Equipment, Heater Treater						32113	\$0	\$0
Surface Pumps						32114	\$0	\$0
Filters						32115	\$0	\$0
Buildings						32116	\$0	\$0
Interconnect Piping / Manifolds / Headers						32117	\$0	\$0
Flowlines / Connections / Valves						32118	\$0	\$0
Automation Instruments / Controls / Analyzers						32119	\$0	\$0
Electrical Equipment / Generators						32120	\$0	\$0
Compressor & Related Equipment						32121	\$0	\$0
Metering Equipment, LACT Unit						32122	\$0	\$0
Chemical Equipment / Cathodic Protection						32123	\$0	\$0
Subsurface Equipment - Packer, Plugs, TAG						32124	\$11,000	\$11,000
Safety / E&S Equipment						32125	\$4,000	\$4,000
NON-OP Drilling Intangible						32126	\$0	\$0
Transfer/ISWD Pumps & Equipment						32127	\$0	\$0
Flare / Combustor						32128	\$0	\$0
Miscellaneous						32129	\$0	\$0
Contingency Costs						32130	\$0	\$0
TOTAL TANGIBLE COSTS			\$2,820,784		\$6,278,655		\$689,720	\$9,897,539
TOTAL WELL COSTS								
Prepared by: Travis Salinas	Title: Engineer							
This AFE is only an estimate. By returning one signed copy, you agree to pay your share of the actual costs incurred.								
Extra Expense Insurance <input type="checkbox"/> I elect to be covered by Operator's Extra Expense insurance and pay my proportionate share of the premium.								
<input type="checkbox"/> I elect to purchase my own well control insurance policy.								
Other fees are checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.								
Joint Owner Interest: _____ Amount: _____								
Joint Owner Name: _____ Signature: _____								

COG Discussion

- 5/20/2020 – COG / Catena talks about a term assignment for a single well.
 - After the term assignment was completed, Catena informed COG about other COG acreage that would be included in proposed Catena Units.
 - Several options were discussed about doing a letter agreement where COG would assign under the same terms for each unit Catena proposed.
- 6/10/2020 – Proposal letters were sent out
- 6/11/2020-7/23/2020 – Brent Sawyer and I discussed all units proposed, and executing the term assignment for all Catena Units. During this time multiple emails were exchanged between COG and Catena regarding spud dates, depths, ect.
- 8/6/2020 – Brent Sawyer called me and notified me that Jennifer Midkiff would be my main contact.
- 9/1/2020 – Phone call with Jennifer Midkiff discussing possible options on Term Assignment and other questions about ownership
- 9/21/2020 – Video conference was scheduled with Geologists, engineers and landman from Catena and COG to review the proposed wells.
 - Geology slides and well information was sent to COG
- 9/28/2020 – Follow up email was sent to Jennifer asking if she had any other questions, about the slides and information reviewed during the conference call
 - No Response

15530587_v1

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A5

Submitted by: **Catena Resources Operating, LLC**

Hearing Date: October 08, 2020

Case No. 21461

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

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

CASE NOS. 21461

AFFIDAVIT OF VINCE SMITH

Vince Smith, of lawful age and being first duly sworn, declares as follows:

1. My name is Vince Smith. I work for Catena Resources Operating, LLC ("Catena") as a Geologist.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by Catena in this matter, and I have conducted a geologic study of the lands in the subject area.

4. Catena is initially targeting the Wolfcamp 'A' Lower interval of the Wolfcamp formation. **Exhibit B-1** is a subsea structure map that I prepared for this interval with 25-foot contours. The proposed horizontal well spacing unit is highlighted in red and the initial well is depicted with a dashed line. The structure map shows the Wolfcamp formation dipping gently to the south-southeast. 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-1 also shows a cross-section line in red running south to north reflecting four (4) wells penetrating the Wolfcamp formation that I used to construct a stratigraphic cross-

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: **Catena Resources Operating, LLC**
Hearing Date: October 08, 2020
Case No. 21461

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-2** is a stratigraphic cross-section that I prepared using the logs from the wells noted on Exhibit B-1. Each well in the cross-section contains the gamma ray in the first track, resistivity in the second track and porosity curves in the third 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. Based on my geologic study, the Wolfcamp 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.

8. **Exhibit B-1** also shows the orientation of the wells drilled in the Wolfcamp formation in the surrounding area. 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. In my opinion, the granting of Catena's application is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

10. **Exhibits B-1** through **B-2** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Vince Smith
VINCE SMITH

STATE OF TEXAS)
)
COUNTY OF BEXAR)

SUBSCRIBED and SWORN to before me this 10th day of October 2020 by Vince Smith.



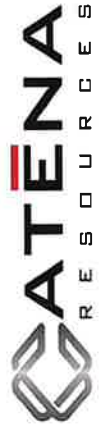
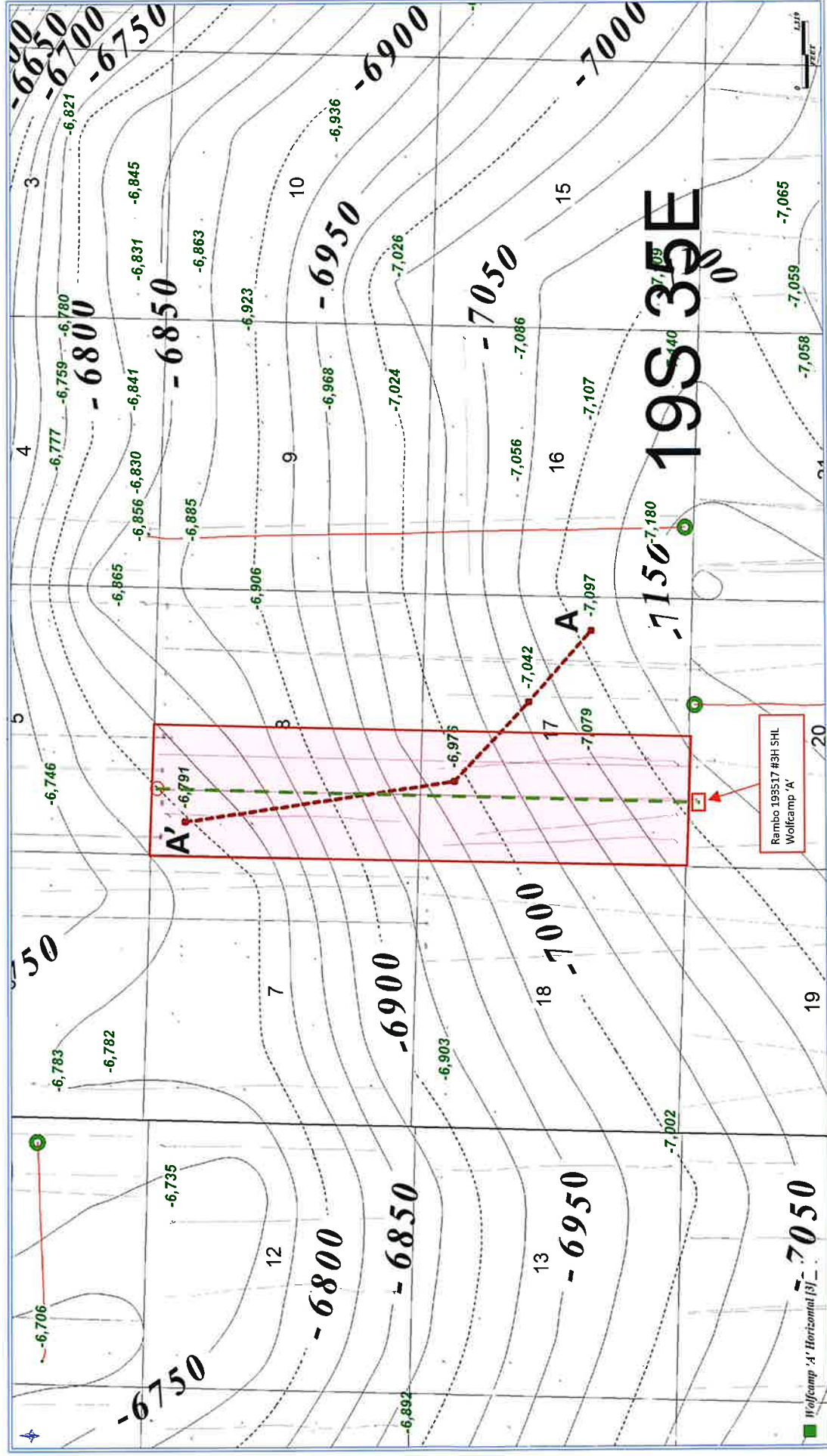
Caitlin Hart
NOTARY PUBLIC

My Commission Expires:

12/5/2023

Wolfcamp 'A'

Subsea Structure



Contour Interval = 25'

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B1
Submitted by: Catena Resources Operating, LLC
Hearing Date: October 08, 2020
Case No. 21461

Cross Section



30025285610000
MESCLERO RIDG`A`COM #1
SUPERIOR OIL CO ETAL
ELEV_KB : 3,848

<1,889T>

30025298940000
MOBIL-MESCALERO RI
WESTERN OIL PRODUC
ELEV_KB : 3.840

$\langle 2,156FT \rangle$

30025285070000
MESCALERO RIDGE #2
SUPERIOR OIL CO ETAL
ELEV_KB : 3,854

 $\langle 5,384FT \rangle$

30025285630000
HOOPER '8' #1
HNG OIL CO
ELEV_KB : 3,912

Third Bone Spring Sand

Wolfcamp 'A'

Santa Fe, New Mexico

Exhibit No. B2

Submitted by: **Catena Resources Operating, LLC**

Hearing Date: October 08, 2020

Case No. 21461

HOLLAND & HART^{LLP}



Michael H. Feldewert

Phone (505) 988-4421

Fax (505) 983-6043

mfeldewert@hollanhart.com

September 18, 2020

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Catena Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico.
Rambo 193517 3H Well

Ladies & Gentlemen:

This letter is to advise you that COG Operating Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on October 8, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. 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 subsequently challenging this matter.

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 Oil Conservation Division "OCD Hearings" website at <http://www.emnrd.state.nm.us/OCD/announcements.html>.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address 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.

If you have any questions about this matter, please contact Robert Swann at (210) 775-6993 or at rswann@catenares.com.

Sincerely,

**ATTORNEY FOR CATENA RESOURCES OPERATING,
LLC**

Catena - Rambo 193517 3H
Case No. 21461 Postal Delivery Report

941481189	Featherstone	PO Box 429	Roswell	NM	88202-0429	Your item was delivered at Sep 23 in ROSWELL, NM 88201.
941481189	Davis Partners	PO Box 271	Midland	TX	79702-0271	Your item was delivered at Sep 29 in MIDLAND, TX 79701.
941481189	Ross Duncan	PO Box 647	Artesia	NM	88211-0647	Your item was delivered at Sep 22 in ARTESIA, NM 88210.
941481189	Prospector	PO Box 429	Roswell	NM	88202-0429	Your item was delivered at Sep 23 in ROSWELL, NM 88201.
941481189	Big Three Energy	PO Box 429	Roswell	NM	88202-0429	Your item was delivered at Sep 23 in ROSWELL, NM 88201.
941481189	Robert C. Hooper	PO Box 773	Roswell	NM	88202-0773	Returned
941481189	Roy G. Barton	1919 N Turner St	Hobbs	NM	88240-2712	In Transit, Arriving Late at Sep 25 in , .
941481189	Camarie Oil & Gas	2502 Camarie Ave	Midland	TX	79705-6309	Your item was delivered at Sep 21 in MIDLAND, TX 79705.
941481189	Gabler Energy Investments	1223 N 15th St	Wolfforth	TX	79382-3314	Your item was delivered at Sep 22 in WOLFFORTH, TX 79382.
941481189	COG	600 W Illinois Ave	Midland	TX	79701-4882	Your item was delivered at Sep 22 in MIDLAND, TX 79701.

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).

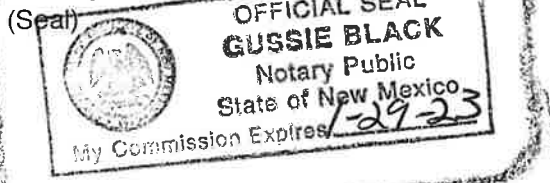
Beginning with the issue dated
September 23, 2020
and ending with the issue dated
September 23, 2020.


Publisher

Sworn and subscribed to before me this
23rd day of September 2020.


Business Manager

My commission expires
January 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

LEGAL

LEGAL

LEGAL

LEGAL NOTICE
September 23, 2020

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on Thursday, **October 8, 2020, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than **September 28, 2020**. Persons may view and participate in the hearings through the following link and as indicated below:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e126931b9c49e4f0185ab46b8e33452c9>
Event number: 146 604 0307
Event password: yWJvuXn3q67

Join by video: 1466040307@nmemnrd.webex.com
You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free
Access code: 146 604 0307.

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All overriding royalty interest owners and pooled parties, including: COG Operating; Davis Partners; Featherstone; Ross Duncan, his heirs and devisees; Prospector; Big Three Energy Group LLC; Robert G. Hooper or Robert C. Hooper, his heirs and devisees; Roy G. Barton, his heirs and devisees; Camarie Oil & Gas; and Gabler Investments or Gabler Energy Investments.

Case No. 21461: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 8 and 17, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed **Rambo 193517 3H** well to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 8. The completed interval for the proposed well will remain within 330 feet of the W/2 E/2 of Sections 8 and 17 to include this offsetting acreage in a standard horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles West of Hobbs, New Mexico.
#35836

67100754

00246582

HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D

Submitted by: **Catena Resources Operating, LLC**

Hearing Date: October 08, 2020

Case No. 21461