

**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. 21347, 21348, 21349, 21350**

**ARMSTRONG ENERGY CORPORATION'S  
PRE-HEARING STATEMENT**

Armstrong Energy Corporation ("Armstrong") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Catena Resources Operating, LLC

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### **STATEMENT OF THE CASE**

In Case No. 21347, Catena Resources Operating, LLC (“Catena”) seeks to pool the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2 of Section 36, Township 18 South, Range 34 East and the E/2 of Section 1, Township 19 South, Range 34 East.

In Case No. 21348, Catena seeks to pool the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2 of Section 36, Township 18 South, Range 34 East and the E/2 of Section 1, Township 19 South, Range 34 East.

In Case No. 21349, Catena seeks to pool the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 36, Township 18 South, Range 34 East and the W/2 of Section 1, Township 19 South, Range 34 East.

In Case No. 21350, Catena seeks to pool the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2 of Section 36, Township 18 South, Range 34 East and the W/2 of Section 1, Township 19 South, Range 34 East.

Armstrong holds a working interest in Section 36 and opposes the applications on the ground that Catena failed to make a good faith effort to obtain a voluntary agreement prior to initiating pooling proceedings. Specifically, Catena failed to provide Armstrong with well proposals, authorizations for expenditures, and proposed joint operating or lease agreements for each of its proposed wells and has not negotiated with Armstrong in good faith. As a result, granting the applications would be inconsistent with the requirements of the Oil and Gas Act and would result in impairment of Armstrong’s correlative rights.

In addition, the public notice for Case No. 21350 is incorrect, as it states that the Wolfcamp formation is being pooled when the application seeks to pool the Bone Spring formation. As a result, notice has not been given in accordance with the Division’s rules.

**PROPOSED EVIDENCE**

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Kyle Armstrong (President)	10 minutes	Approx. 10
Kevin Klein (Landman)	10 minutes	Approx. 5
Kyle Alpers (Engineer)	10 minutes	Approx. 5

**PROCEDURAL MATTERS**

At this time, Armstrong is not aware of any procedural matters to be resolved prior to the hearing.

Respectfully submitted,

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*Attorneys for Armstrong Energy  
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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing *Pre-Hearing Statement* was served on the following counsel by electronic mail on July 30, 2020:

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