STATE OF NEW MEXICO

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NOS: 21347 - 21350

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

FEBRUARY 4, 2021

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING EXAMINER FELICIA ORTH and TECHNICAL EXAMINER KURT SIMMONS on Thursday, February 4, 2021, via Webex virtual platform as hosted by the New Mexico Energy, Minerals, and Natural Resources Department, Santa Fe, New Mexico.

Reported by: Irene Delgado, NMCCR 253

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Page 2 1 APPEARANCES 2 For the Applicant: 3 PADILLA LAW FIRM ERNEST PADILLA 1512 S. St. Francis Drive Santa Fe, NM 87505 5 For Marathon Oil Permian: 6 DEANA BENNETT 7 MODRALL SPERLING ROEHL HARRIS & SISK PA 500 4th Street, NW, Suite 1000 Albuquerque, NM 87102 For COG: 9 MICHAEL RODRIGUEZ 10 1048 Paseo de Peralta 11 Santa Fe, NM 87501-3034 505-428-0485 12 For Ascent Energy: 13 JAMES BRUCE P.O. Box 1056 14 Santa Fe, NM 87504-1056 505-982-2151 15 16 For Armstrong Energy: 17 DANA HARDY HINKLE SHANOR LLP 18 P.O. Box 0268 Santa Fe, NM 87504 19 20 INDEX 21 CASE CALLED 22 STATUS CONFERENCE 03 07 23 REPORTER CERTIFICATE 24 25

1 HEARING EXAMINER ORTH: Let's move to the next

- 2 set of cases, 21347, 21348, 21349 and 21350, Catena
- 3 Resources are the applicant. These are compulsory pooling
- 4 applications. The name of the well is Crisscross.
- 5 Mr. Padilla, you are here for the applicant?
- 6 MR. PADILLA: Yes, ma'am.
- 7 HEARING EXAMINER ORTH: We have a number of
- 8 entries of appearance, one from Marathon. Ms. Bennett, are
- 9 you here for Marathon?
- 10 MS. BENNETT: Good morning, Madam Examiner. This
- 11 is Deana Bennett on behalf of Marathon Oil Permian LLC.
- 12 HEARING EXAMINER ORTH: Thank you. Good morning.
- 13 Then COG? Let's see, Ms. Munds-Dry or Mr. Rodriguez?
- MR. RODRIGUEZ: Yes, good morning, Madam Hearing
- 15 Examiner. Welcome back. Michael Rodriguez for COG
- 16 Operating LLC.
- 17 HEARING EXAMINER ORTH: Thank you. Good morning.
- 18 Then Armstrong Energy. Ms. Hardy, is that you from Hinkle
- 19 Shanor?
- 20 MS. HARDY: Yes, it is. Good morning.
- 21 HEARING EXAMINER ORTH: Good morning. And Mr.
- 22 Bruce, I believe you are here for Ascent Energy.
- MR. BRUCE: That is correct.
- 24 HEARING EXAMINER ORTH: So in this case we had a
- 25 prehearing order issued in August for September 24,

- 1 continued to October 22 and then continued from there. Are
- 2 we headed to April 22 at this point?
- 3 MR. PADILLA: I think so, Madam Examiner. There
- 4 are a number of Catena cases that have already been set for
- 5 April 22 -- or at least we have circulated a prehearing
- 6 order for moving the other Catena cases, and I think Matador
- 7 has a couple of competing applications as well in those
- 8 other cases.
- 9 So the Crisscross wells are in the area of the
- 10 other wells, so it makes sense that we leave those cases to
- 11 the April 22 hearing date. Also, I would add that we had an
- 12 error in one of the cases that we had a status conference on
- 13 in Case 21485, we had a typographical error in the legal
- 14 description. So we had to drop that case, and we had to
- 15 file a new case. The new case number is 21714, and we would
- 16 ask that that case be heard also on April 22.
- 17 HEARING EXAMINER ORTH: All right. Marlene, is
- 18 there any problem with adding 21714 to the April 22 docket?
- 19 MS. SALVIDREZ: I'm a little confused because I
- 20 thought, Ernest, that 21485 was on the January 20 -- let me
- 21 check. I thought that was already brought up in January.
- 22 Let me check my notes real fast. So I saw that
- 23 21614 replaces 21485. I thought that was on one of the
- 24 prehearing orders that you had submitted to Bill that was
- 25 discussed on the 21st. So I have 21482, 21483, 21485, 21518

1 and 21519, and 21460 on that draft prehearing order for

- 2 April 22.
- 3 MR. PADILLA: That's correct. But in the
- 4 meantime we had to drop -- we discussed this with -- at the
- 5 status conference on these cases, on the series of cases and
- 6 the other three cases, I believe, but anyway, 21485 had a --
- 7 had an error in the legal description, so we had to drop
- 8 that case, and we refiled it under the new case number
- 9 21714.
- 10 Now, the series of cases, 21482, '3, '4 and '5,
- 11 which is now eliminated, were set for April 22. In other
- 12 words, we are just simply saying that this 21714, the new
- 13 case, standing by itself probably it's a waste of time
- 14 unless its consolidated with the other cases.
- 15 MS. SALVIDREZ: The cases that we discussed on
- 16 January 21, correct, not the cases we are discussing today?
- 17 MR. PADILLA: Yes.
- 18 MS. SALVIDREZ: Okay. Yes. That's what Bill is
- 19 waiting to get signed.
- 20 HEARING EXAMINER ORTH: All right. So let's go
- 21 back to 21347 through 50. Is there anything else to talk
- 22 about besides an April 22 -- I am happy to get the
- 23 prehearing order out with an April 22 hearing date in the
- 24 usual template.
- 25 (No audible response.)

Page 6 HEARING EXAMINER ORTH: No? All right. So thank you all very much for that. Is there anything else we can talk about -- and thank you, Mr. Padilla, for raising your other question there while we are all together. (Concluded.)

Page 7 STATE OF NEW MEXICO 2. COUNTY OF BERNALILLO 3 REPORTER'S CERTIFICATE 5 I, IRENE DELGADO, New Mexico Certified Court 6 7 Reporter, CCR 253, do hereby certify that I reported the 8 foregoing virtual proceedings in stenographic shorthand and 9 that the foregoing pages are a true and correct transcript 10 of those proceedings to the best of my ability. I FURTHER CERTIFY that I am neither employed by 11 nor related to any of the parties or attorneys in this case 12 13 and that I have no interest in the final disposition of this 14 case. 15 I FURTHER CERTIFY that the Virtual Proceeding was of poor to reasonable quality. 16 Dated this 4th day of February 2021. 17 18 /s/ Irene Delgado 19 Irene Delgado, NMCCR 253 20 License Expires: 12-31-21 2.1 22 23 2.4 25