

# **DOCUMENT LISTING**

## **OCD CASE 21460**


### **Application of Catena Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico**

OCD Hearing  
Thursday, April 22, 2021

This case will be presented by Affidavit

- Compulsory Pooling Application Checklist;
- Application OCD Case 21460 filed on 9/8/2020;
- Affidavit of Brian Moore w-attachments as indicated;
- Affidavit of Christopher J. Canon w-attachments as indicated;
- Affidavit of Ernest L. Padilla w-attachments as indicated.

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21460	Applicant's Response
Date: April 20, 2021	
Applicant	Catena Resources Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	328449
Applicant's Counsel	Ernest L. Padilla
Case Title	Application of Catena Resources Operating, LLC for compulsory pooling in Lea County, New Mexico
Entries of Appearance/Intervenors	Ocean Munds-Dry/COG Operating LLC James Bruce/Matador Production Company
Well Family	Rambo 193517
<b>Formation/Pool</b>	
Formation Name(s) or Verticle Extent	Scharb; Wolfcamp
Primary Product (Oil or Gas)	Oil
Pooling this verticle extent	Wolfcamp formation
Pool Name and Pool Code	Scharb; Wolfcamp 55640
Well Location Setback Rules	Standard
Spacing Unit Size	640
<b>Spacing Unit</b>	
Type (Horizontal/Verticle)	Horizontal
Size (acres)	640
Building Blocks	half sections-E/2 of Sections 17 & 8, T19S, R35E
Orientation	north south
Description: TRS/County	E/2 of Sections 17 & 8, T19S, R35E
Description: TRS/County	E/2 of Sections 17 & 8, T19S, R35E
Standard Horizontal Well Spacing Unit	Yes
<b>Other Situations</b>	
Depth Severance: No	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: If yes, description	No
Applicant's Ownership in Each Tract	Exhibit B-2
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location	
footages, completion target, orientation, completion status (standard or non-standard)	
	<b>Rambo 193517 1H</b> Well is to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 20 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 8. The completed interval for the proposed well will remain within 330 feet of the W/2 E/2 of Section 8 and 17 to include this offsetting acreage in a standard horizontal well spacing unit.
<b>Horizontal Well First and Last Take Points</b>	
Completion Target (Formation, TVD and MD)	TVD-9,989' TMD-20,698'
	<b>Identify the Exhibit and Page for Information below this line</b>
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8500/\$850
Production Supervision/Month \$	Exhibit B-6
Justification for Supervision Costs	Exhibit B-6
Request Risk Charge	200%
<b>Notice of Hearing</b>	
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)	Exhibit C
<b>Ownership Determlnation</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit B-2
Tract List (including lease numbers and owners)	Exhibit B-2
Pooled Parties (including ownership type)	Exhibit B-2
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposed Letter	Exhibit B-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-2
Chronology of Contact with Non-Joined Working Interests	Exhibit B-4
Overhead Rates in Proposal Letter	
Cost Estimates to Drill and Complete	Exhibit B-6
Cost Estimate to Equip Well	Exhibit B-6
Cost Estimate for Production Facilities	Exhibit B-6
<b>Geology</b>	
Summary (including special considerations)	Exhibit A pages 1-3 & A-1
Spacing Unit Schematic	Exhibit A-2 & Exhibit A-3
Gunbarrel/Lateral Trajectory Schematic	
Well Orientation (with rationale)	Exhibit A-2
Target Formation	Exhibit A-2
HSU Cross Section	Exhibit A-4
Depth Severance Discussion	None

Forms, Figures and Tables	None
C-102	Exhibit B-1
Tracts	Exhibit B-1
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-1
General Location Map (including basin)	Exhibit A-2
Well Orientation (with rationale)	Exhibit A-2 & A-4
Structure Contour Map - Subsea Depth	Exhibit A-3
Cross Section Location Map (including wells)	Exhibit A-4
Cross Section (including Landing Zone)	Exhibit A-4
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name: (Attorney or Party Representative):	Ernest L. Padilla
Signed Name: (Attorney or Party Representative):	
Date:	4/20/2021

**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. 21460

**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 E/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 1H well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 20 to a bottom hole location in the NE/4 NE/4 (Unit A) 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: \_\_\_\_\_

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Kaitlyn A. Luck  
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kaluck@hollandhart.com

**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 NO. 21460

AFFIDAVIT OF BRIAN MOORE

BRIAN MOORE, of lawful age and being first duly sworn, declares as follows:

1. My name is Brian Moore. I work for Catena Resources Operating, LLC (“Catena”) as a Geologist.

2. I have not testified before the New Mexico Oil Conservation Division as an expert witness. **Exhibit A-1** is my curriculum vita in support of testifying as an expert witness before the New Mexico Oil Conservation Division.

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. **Exhibit A-2** is a project location map that shows the location of the proposed horizontal well spacing unit.

5. Catena is initially targeting the Wolfcamp ‘A’ interval of the Wolfcamp formation. **Exhibit A-3** is a subsea structure map that I prepared for this interval with 20-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 Wolfcamp are represented by solid red lines. The structure map shows the Wolfcamp dipping gently to the South in this area. Except for subtle dip changes, 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.

6. **Exhibit A-3** also shows a cross-section line in brown running North to South reflecting four wells penetrating the Wolfcamp 'A' 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.

1. **Exhibit A-4** is a stratigraphic cross-section that I prepared using the logs from the four wells noted on Exhibit A-3. 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.

2. **Exhibit A-5** is a Gross Isopach map of the Wolfcamp 'A' 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 Wolfcamp are represented by solid red lines. The anticipated gross thickness of the Wolfcamp 'A' interval is 400 to 525 ft. The gross isopach map demonstrates that the Wolfcamp 'A' is present across the proposed spacing unit. The location of the previous cross-section from A-A' in Exhibit A-4 is also shown as a brown line on this map.

3. Based on my geologic study, the Wolfcamp 'A' 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.

4. 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.

5. **Exhibits A-2** and **A-5** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT



*Brian Moore*

\_\_\_\_\_  
BRIAN MOORE

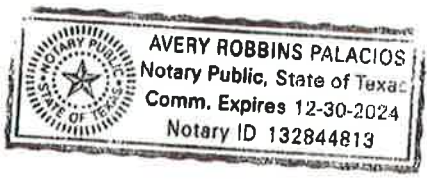
STATE OF TEXAS                    )  
  )  
COUNTY OF HARRIS            )

SUBSCRIBED and SWORN to before me this 15<sup>m</sup> day of APRIL 2021 by Brian Moore on behalf of Catena Resources Operating, LLC.

Avery Robbins Palacios  
NOTARY PUBLIC

My Commission Expires:

12/30/2024



**Brian Moore – Professional Geoscientist**

**Professional Summary** – 15+ year petroleum industry career with broad experience in conventional and unconventional exploration and development. Proficient in subsurface mapping and log analysis. Experience in 2D & 3D seismic interpretation.

**EMPLOYMENT HISTORY**

**Percussion Petroleum II, LLC** Houston, TX May 2020-Present  
VP of Geosciences

- Subsurface mapping of Wolfcamp and Bone Springs Formations in Lea Co, NM asset
- Trend analysis in multiple basins across the lower 48 with an emphasis on the Permian and Gulf of Mexico Basins
- Provide subsurface characterization support on multiple oil and gas asset evaluations
- Mentoring and training staff geologists

**Sabine Oil and Gas, LLC** Houston, TX April 2017-May 2020  
Supervisor of Geology

- Worked with team to grow company reserves
- Providing geologic leadership for a “start from scratch” drilling campaign, 2 rig drilling program in East Texas
- Provided geologic evaluations quantifying development upside for 6 divestitures totaling over \$325M
- Complete multiple field studies on East Texas assets
- Managing subsurface database
- Reviewing and guiding subsurface projects; mentoring and training staff geologists

**Breithurn Energy Partners** Houston, TX Nov 2014-April 2017  
Exploitation Manager/ Geoscience Supervisor

- Worked with an interdisciplinary team of managers and supervisors to manage the performance of assets in the Midland Basin
- Evaluated seven reservoirs, across the northern Midland Basin
- Increased recoverable resource potential on operated acreage, by subsurface evaluation, monitoring industry activity, and horizontal well spacing analysis.
- Provided geologic support for a multi-rig horizontal drilling plan in the Midland Basin, including bolt-on and acreage trade evaluations, well location selection, well design, landing point selection, and geo-steering.
- Reviewed and guided projects submitted by staff, assisted in training of staff

**Quantum Resources Management** Houston, TX July 2013-Nov 2014  
Senior Geologist

- Geologist on an integrated team responsible for 4 fields in NLA/ SARK



- Completed a field study Homer Field, NLA
- Completed a reservoir study of the Haynesville Formation at Shongaloo Field
- Drilled 167 wells in a drilling program in Tullos Oil Field, NLA
- Made recommendations on bolt-on leasing, acquisitions, drilling, recompletions, and data collection

**Grenadier Energy Partners** The Woodlands, TX 2012-July 2013  
Senior Geologist

**Devon Energy** Houston, TX 2005-2012

**Professional Development**

Senior Geologist 2010-2012  
Geologist II 2007-2009  
Geologist 2005- 2006

**Work Experience**

**New Ventures, Texas and Louisiana**

- Worked on an integrated team to identify and rank unconventional oil trends in the northern GoM
- Generated and matured prospects in trends identified by team
- Made recommendations on leasing, drilling, and data collection on two liquid-rich prospects

**Mesozoic Exploration, East Texas and North Louisiana**

- Responsible for providing geological, geophysical, and reservoir support for exploratory well operations, in the Haynesville/ Bossier shale play.
- Worked with an integrated team to develop and propose the 2010 appraisal drilling program for the Haynesville/ Bossier shale play.
- Generating maps on reservoir, production, and rock property data to characterize the Haynesville/ Bossier shales and understand the geologic controls on the shales producibility.

**Gulf Coast Exploration, Texas and Louisiana**

- Responsible for providing geological and reservoir support for exploratory and appraisal well operations, in Matagorda Co., TX
- Generated regional sand isopach maps in the Lower Miocene in S. Louisiana.
- Assisted exploration team to develop prospects by providing support with fault seal analysis, trap analogy, sand mapping, and reservoir mapping of analogous fields.
- Generated regional sand isopach and analogous field maps in the down-dip Yegua trend in SE Texas.
- Originated three leads in the Yegua and laid out the 2D seismic grid to define the leads.

**Carthage Exploitation, East Texas**

- Responsible for providing geological and reservoir support for vertical and horizontal developmental well operations, with on-site experience
- Completed reservoir studies of the Travis Peak Fm. & Cotton Valley Fm. in

Bethany Field, Panola Co., TX, field studies provided justification for a 2006 & 2007 drilling program in Bethany Field

### **EDUCATION**

B.S., Geology, The University of Texas at Austin, 2003

M.S., Geology, The University of Texas at Austin, 2005

### **SKILLS & PROFESSIONAL AFFILIATIONS**

- Petra Software; Log Analysis and Interpretation (Power Log and Petra); 2D & 3D Seismic Interpretation (Landmark Seisworks, Seisware, SMT Kingdom); Subsurface Mapping; Sandstone, Shale, & Carbonate Stratigraphy and Facies Analysis; IHS Inerdeq; Drilling Info
- Professional Geoscientist No. 720 Louisiana Board of Professional Geoscientists; A.A.P.G.; H.G.S.

Case No: 21460

# Exhibit A-2: Locator Map

-  First Bone Spring
-  Second Bone Spring
-  Third Bone Spring
-  Wolfcamp A

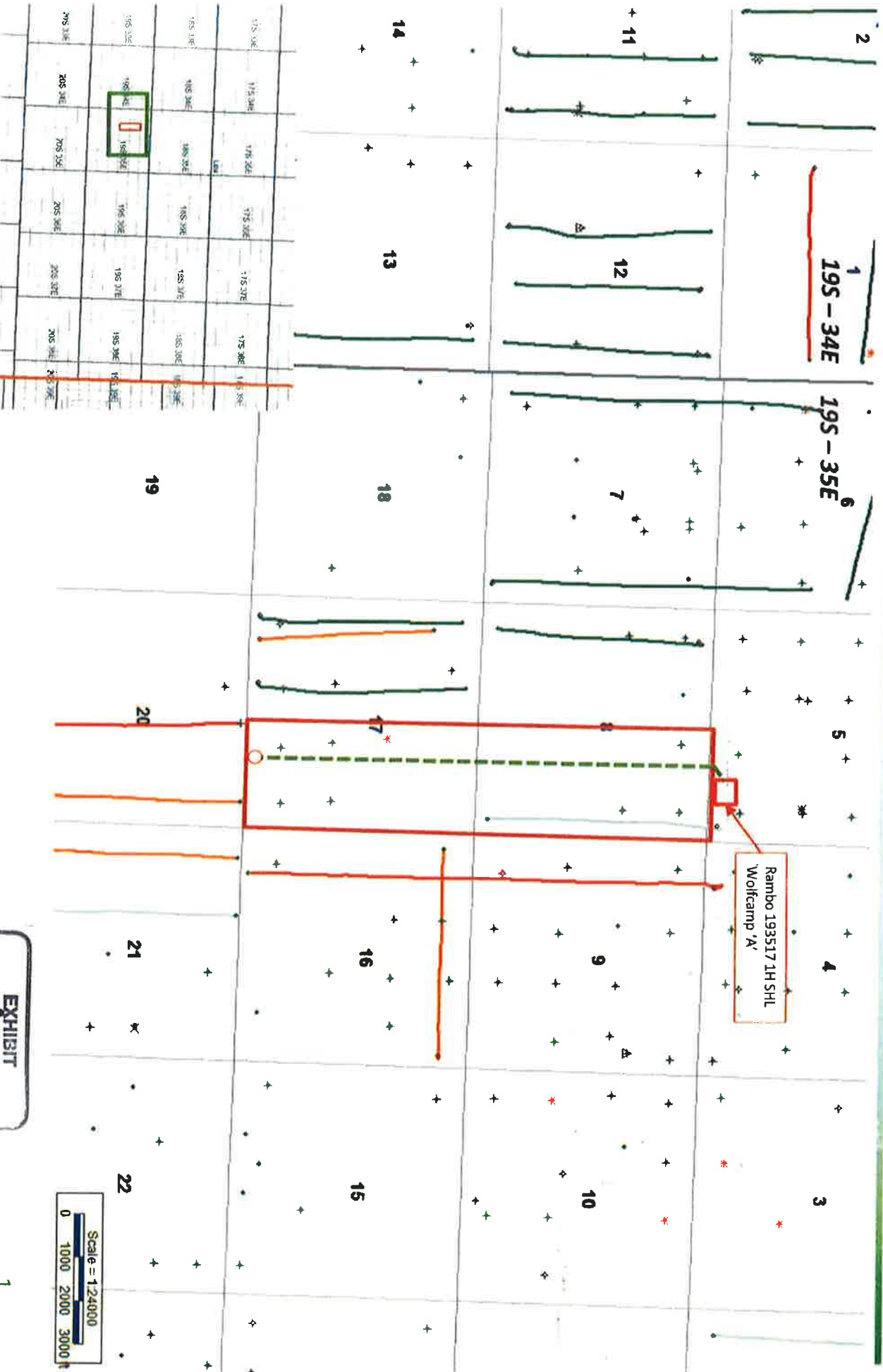
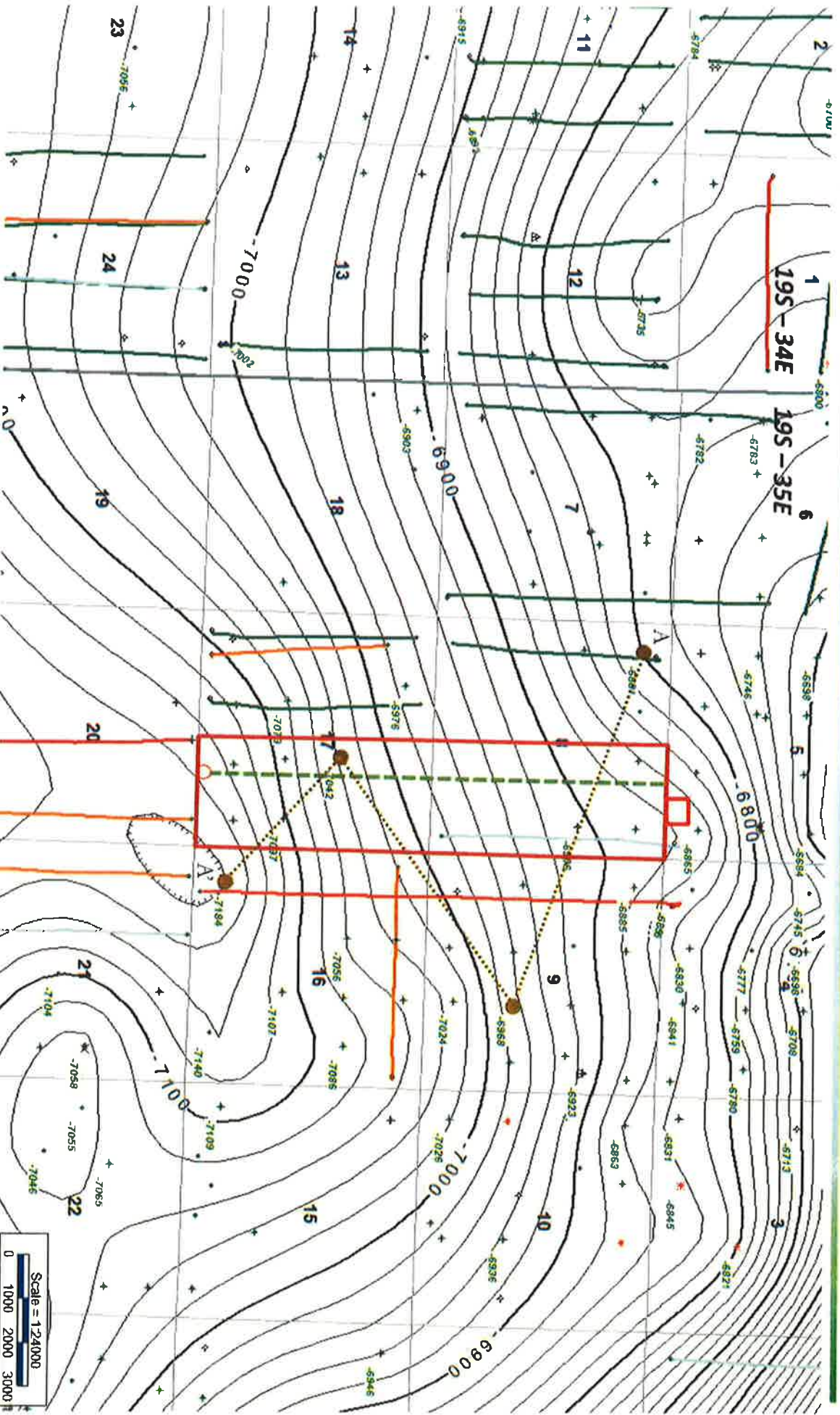


EXHIBIT  
**A-2**

Case No: 21460

# Exhibit A-3: Wolfcamp 'A' Structure (Subsea TVD-ft)

- First Bone Spring
- Second Bone Spring
- Third Bone Spring
- Wolfcamp A



Contour Interval = 20'

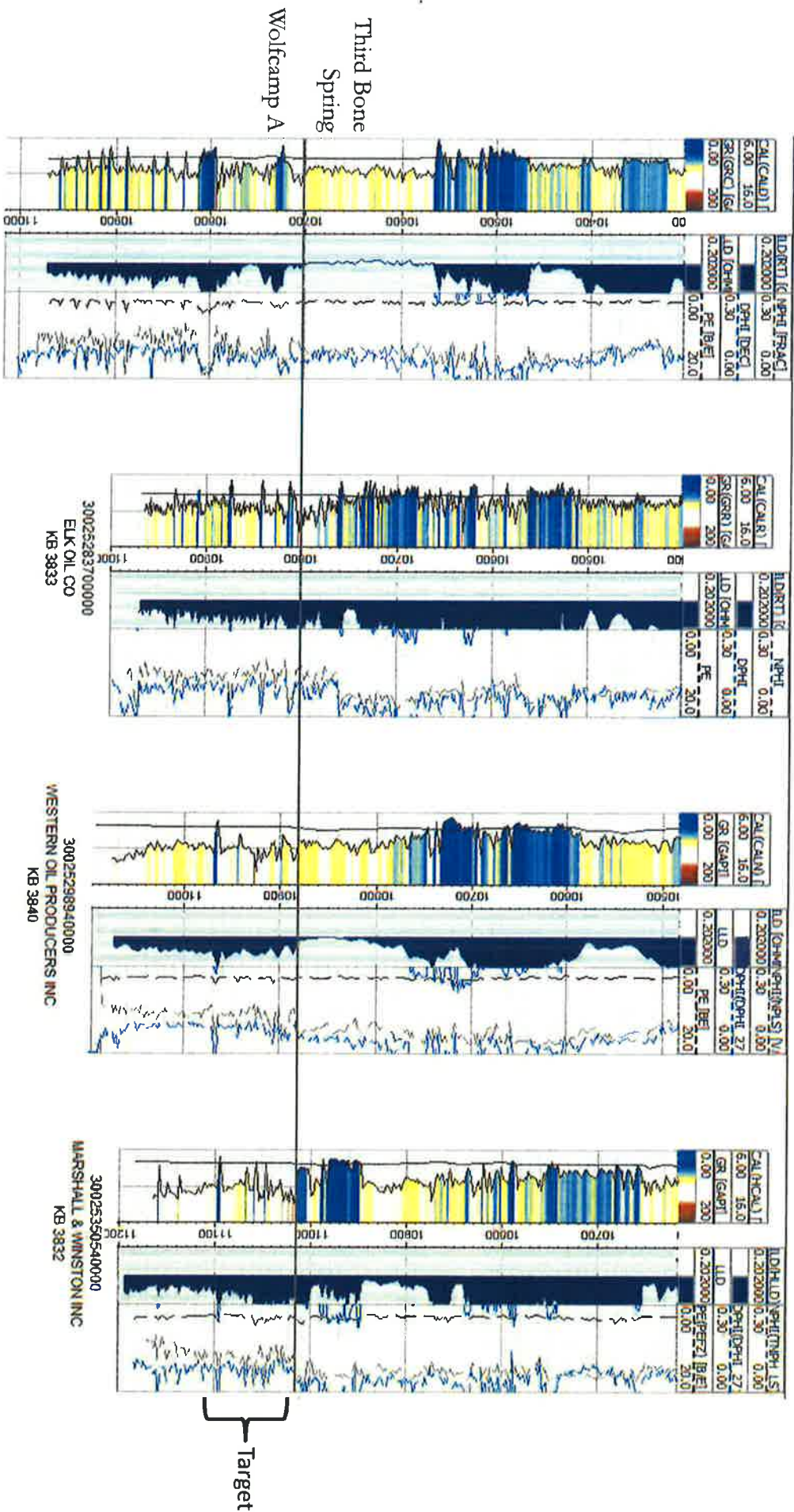
EXHIBIT  
**A-3**

Exhibit A-4: Stratigraphic Cross section A-A' – Wolfcamp 'A' Datum



A

A'



Third Bone Spring  
Wolfcamp A

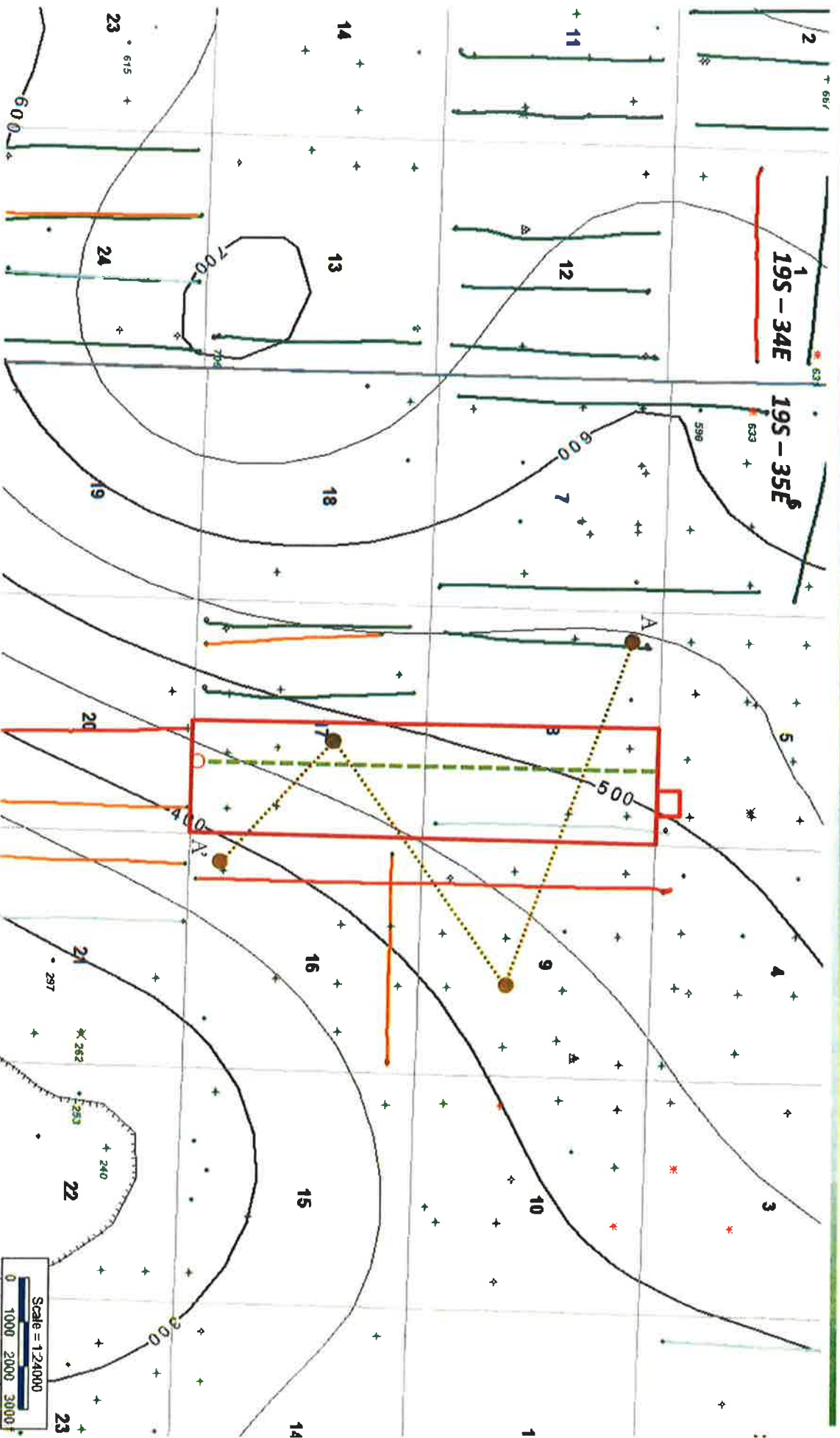
Target



Case No: 21460

# Exhibit A-5: Wolfcamp 'A' Gross Isopach (TVD-ft)

- First Bone Spring
- Second Bone Spring
- Third Bone Spring
- Wolfcamp A



Contour Interval = 50'





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

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

**CASE NO. 21460**

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

**CASE NO. 21483**

**AFFIDAVIT OF CHRISTOPHER J CANON**

CHRISTOPHER J CANON, of lawful age and being duly sworn, declares as follows:

1. My name is Christopher "Chris" Canon. I consult for Catena Resources Operating, LLC ("Catena") as a landman. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum landman were accepted by the division as a matter of record.

2. My area of responsibility for Catena includes the area of Lea County in New Mexico.

3. I am familiar with the application filed with by Catena.

4. I am familiar with the status of the lands that are subject to these applications.

5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling applications.

6. Catena seeks to:

(1) to pool the Wolfcamp formation underlying the E/2 of Sections 8 and 17 and dedicating this horizontal spacing unit to the proposed **Rambo 1H**, to be horizontally drilled

from a surface location in the NE/4 NE/4 (Unit A) of Section 20 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 8.

(2) to pool the Scharb Bone Spring Pool underlying the E/2 E/2 of Sections 8 and 17 and dedicating this horizontal spacing unit to the proposed **Rambo 2H**, to be horizontally drilled from a surface location in Unit B of Section 20 to a bottom hole location in Unit A in Section 8, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

Attached hereto as **Exhibit B-1** are copies of the C-102's for the foregoing wells, together with associated and aerial maps. Also included in Exhibit B-1 are tract maps of the proposed spacing units.

8. The parties being pooled and the percent of their interests and participation in the tracts and in the pooled unit are shown in **Exhibit B-2** for the respective cases.

9. Catena has conducted a diligent search of the public records in the county where the well is located and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed parties well proposals. However, Catena has recently discovered unleased State mineral interests and fee mineral interest owners in the proposed units. Catena has contacted the State regarding the matter and the State has agreed to a Stipulation regarding the May NMSLO Lease Sale attached hereto as **Exhibit B-3**. Additionally, Catena has contacted the fee mineral interest owners and has sent well proposals to each fee mineral interest owner prior to hearing. Copies of Communication Timelines are attached hereto as **Exhibit B-4**.

10. In my opinion, Catena has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

11. **Exhibit B-5** is a copy of a proposal letter sent to working interest owners, which were sent on July 23, 2020 and April 15, 2021 for the proposed wells together with AFEs.

12. The proposal letters identified the proposed first and last take points and approximate TVD.

13. **Exhibit B-6** contains a revised Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico. Catena requests overhead and administrative rates of \$8,000.00/month for drilling a well and \$800.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Catena requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

14. Catena requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

15. Catena requests that it be designated operator of the wells.

16. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

17. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

18. The granting of this application is in the interests of conservation and the prevention of waste.

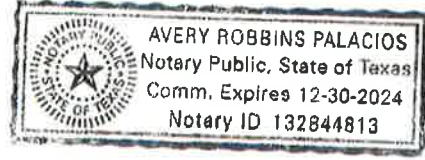
  
CHRISTOPHER J CANON

STATE OF TEXAS             )  
  )  
COUNTY OF HARRIS            )

SUBSCRIBED AND SWORN to before me this 15 day of April, 2021 by Christopher Canon on behalf of Catena Resources Operating, LLC.

AVERY ROBBINS PALACIOS  
Notary Public

My Commission Expires:  
12/30/2024



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

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

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	19S	35E		190'	FNL	1290'	FEL	Lea

<sup>11</sup> 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
A	8	19S	35E		100'	FNL	1200'	FEL	Lea

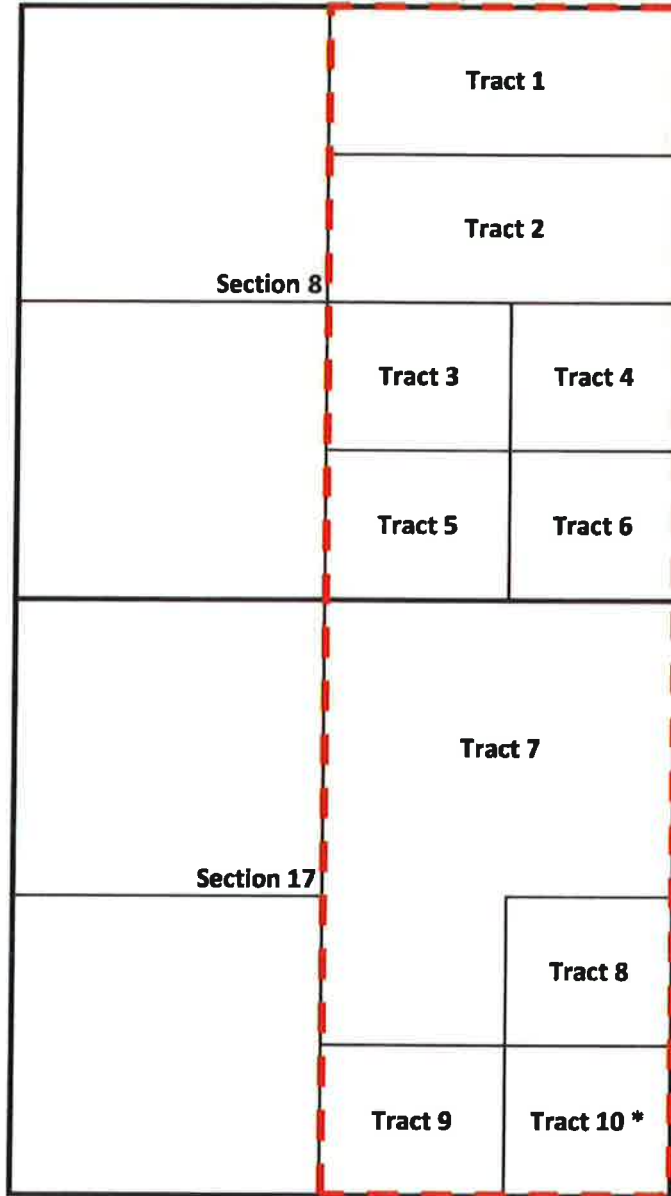
<sup>12</sup> Dedicated Acres 640	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code COM	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p><b>17 OPERATOR CERTIFICATION</b> 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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>									
<p><b>18 SURVEYOR CERTIFICATION</b> 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.</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>									

EXHIBIT  
B-1

**Rambo 1H Well  
Proposed Wolfcamp Spacing Unit  
Lea County, New Mexico  
E/2 Section 8 & 17 - T19S - R35E**



Tract 1	N/2 NE/4	Tract 6	SE/4 SE/4
Tract 2	S/2 NE/4	Tract 7	NE/4 & NW/4
Tract 3	NW/4 SE/4	Tract 8	NE/4 SE/4
Tract 4	NE/4 SE/4	Tract 9	SW/4 SE/4
Tract 5	SW/4 SE/4	Tract 10*	SE/4 SE/4

\*Unleased State minerals, see Exhibit B-3 stipulation

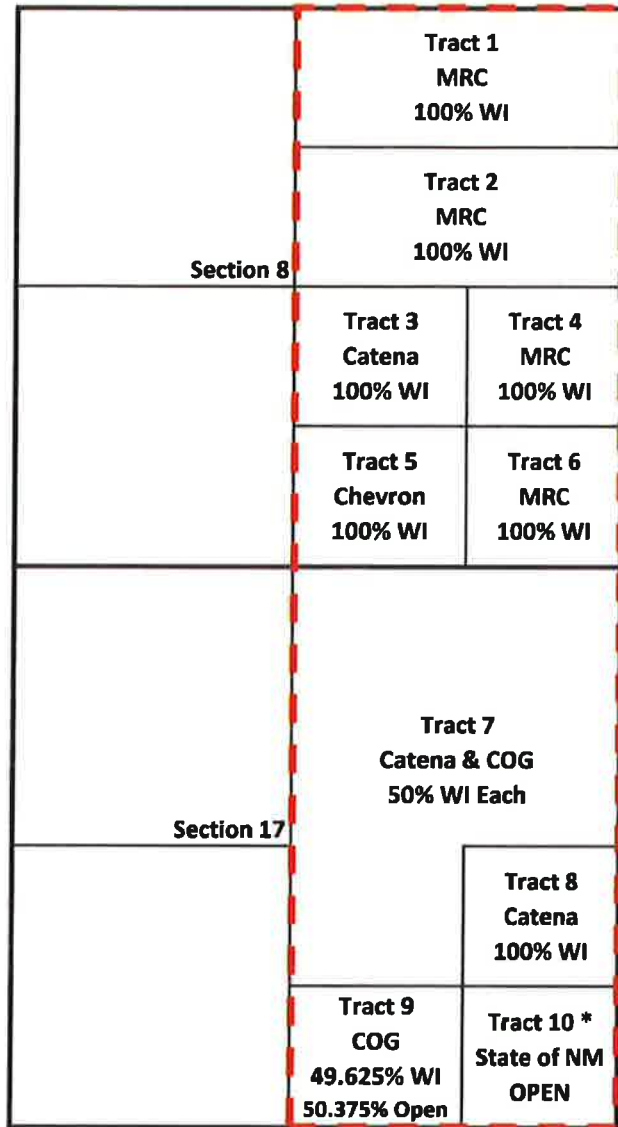
**Rambo 1H Well  
Proposed Wolfcamp Spacing Unit  
Lea County, New Mexico  
E/2 Section 8 & 17 - T19S - R35E**

**Parties not being pooled**

MRC Permian Company **WI** 0.3750

**Parties to be Pooled**

Catena Resources Operating	0.28125
State of New Mexico	0.06250
Jeannine Hooper Byron Trust	0.00833
Hooper & Sons LLC	0.00833
Debra Kay Primera	0.00006
Ricky D. Raindl	0.00006
Margi Fort Bruns	0.00004
Tommy L. Fort	0.00004
Rfort Mineral Properties	0.00004
Jack P. Hooper	0.00104
Jack P. Hooper GST Trust	0.00104
Michael T. Hooper GST Trust	0.00104
Aurora J Rohana	0.00078
Robert G. Hooper GST Trust	0.00104
Robert G Hooper	0.00104
Deborah H. Wachsmuth GST Trust	0.00104
Deborah H. Wachsmuth	0.00104
J.E Simmons et al Trust	0.00625
Trevor S. Turmelle	0.00026
Chevron USA Inc.	0.06250
COG Operating, LLC	0.18727
<b><u>Total</u></b>	<b><u>1.00000</u></b>



Tract 1	NE/4 NE/4	Tract 6	SE/4 NE/4
Tract 2	SE/4 NE/4	Tract 7	NE/4 SE/4
Tract 3	NE/4 SE/4	Tract 8	NE/4 SE/4
Tract 4	SE/4 SE/4	Tract 9	SW/4 SE/4
Tract 5	NE/4 NE/4	Tract 10*	SE//4 SE/4

\*Unleased State minerals, see Exhibit B-3 stipulation



**STIPULATION**

THIS STIPULATION dated as of April 13, 2021 is entered into by and between:

Stephanie Garcia Richard, in her capacity as New Mexico Commissioner of Public Lands (hereafter "Commissioner"), whose address is 310 Old Santa Fe Trail, Santa Fe, New Mexico 87501

and

Catena Resources Operating, LLC, a Delaware Limited Liability Company (hereafter "Catena"), whose address is 919 Milam Street, Suite 2475, Houston, TX 77002.

**RECITALS**

WHEREAS, Catena has filed an application for compulsory pooling with the New Mexico Oil Conservation Division in Case No. 21460 seeking to pool all uncommitted interests in a standard 640-acre, more or less, horizontal spacing unit to test the Wolfcamp formation, comprised of the E/2 of Sections 8 and 17, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico; and,

WHEREAS, Catena has filed an application for compulsory pooling with the New Mexico Oil Conservation Division in Case No. 21483 seeking to pool all uncommitted interests in a standard 320-acre, more or less, horizontal spacing unit to test the Bone Spring formation, comprised of the E/2E/2 of Sections 8 and 17, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico; and,

WHEREAS, Cases 21460 and 21483 are currently scheduled for hearing on April 22, 2021; and,

WHEREAS, Catena has recently discovered that the lands comprised of SE/4SE/4 of Section 17, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico, administered as State Trust Lands by the Commissioner, are unleased for oil and gas development and are included in both proposed spacing units in Cases 21460 and 21483 (the "Unleased Lands");

WHEREAS, Catena recently nominated the Unleased Lands for inclusion in the May 2021 State Land Office lease sale;

WHEREAS, Catena previously nominated the Unleased Lands for a prior lease sale but did not bid on the Unleased Lands ; and

WHEREAS, unleased state trust land, including the Unleased Lands, may not be compulsory pooled.

NOW THEREFORE, the Parties acknowledge, agree, and stipulate, as follows:





1. Catena has nominated the SE/4SE/4 of Section 17, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico for the May 2021 lease sale (See Exhibit A).
2. Catena shall tender a copy of this Stipulation as an exhibit at the hearing of Cases 21460 and 21483, and request that an order in such cases not be entered until after the lease sale occurs and under the following conditions:
  - a. Should Catena, or one of its designated affiliates, be the successful bidder at the May 2021 lease sale, it may proceed to seek compulsory pooling orders from the Oil Conservation Division pursuant the April 22, 2021 hearings. A copy of the lease sale results, evidencing Catena as the successful bidder, shall be provided to the Oil Conservation Division evidencing Catena has acquired the Unleased Lands.
  - b. If Catena is not the successful bidder at the May 2021, it will advise the Oil Conservation Division. In such case, Catena may 1) send well proposals and seek joinder of the successful bidder in drilling the wells proposed by Catena; 2) if the successful bidder of the Unleased Lands does not agree to join in the drilling of the proposed wells, then Catena may reopen the Oil Conservation Division hearing process to pool the interests of the successful bidder; or 3) Catena may dismiss Cases 21460 and 21483. Catena must provide notice to the Commissioner of any action taken under this subpart and shall provide the Commissioner fourteen (14) days' notice prior to any action before the Oil Conservation Division under this subpart and shall provide notice to the Commissioner of any agreement under subpart 2(b)(1).

Executed as of the date written above.

**COMMISSIONER OF PUBLIC LANDS**

  
STEPHANIE GARCIA RICHARD

**CATENA RESOURCES OPERATING, LLC**

By: 

Name: John Campbell  
Title: Authorized Person  
Catena Resources Operating, LLC

**Catena Resources Operating, LLC – Rambo 1H & Rambo 2H Discussion Timeline**

**ConocoPhillips Company**

Catena Resources Operating, LLC sent original well proposals on July 23, 2020. After such time, beginning on or around August 6, 2020, Catena and ConocoPhillips (formerly Concho Oil & Gas) engaged in discussions regarding the proposed wells, including a technical review on March 2, 2021. Catena and ConocoPhillips are in ongoing discussions on the well proposals.

**Chevron**

Catena Resources Operating, LLC sent original well proposals on July 23, 2020. After such time, beginning on or around September 8, 2020, Catena and Chevron engaged in discussions regarding the proposed wells which are ongoing.

**Featherstone**

Catena Resources Operating, LLC sent original well proposals on July 23, 2020. After such time, beginning on or around September 16, 2020, Catena and Featherstone engaged in discussions regarding the proposed wells which are ongoing.

**State of New Mexico**

Catena Resources Operating, LLC contacted the State regarding the unleased State mineral interests on April 5, 2021. After such initial discussions, the State agreed to enter into a Stipulation with Catena regarding the unleased interests on April 13, 2021.

**Unleased Mineral Interest Owners**

Catena Resources Operating, LLC sent original well proposals on April 15, 2021. After such time, beginning April 16, 2021, Catena has initiated communication with the unleased mineral interest owners which is ongoing.

EXHIBIT  
B-4



July 23, 2020

Via Certified Mail

COG Operating, LLC  
600 W. Illinois Ave  
Midland, TX 79701

Re: **Rambo 193517 1H Well Proposal**  
**Wolfcamp Formation**  
**E2 of Section 17 T19S, 35E, and Section 8, T19S, R35E**  
**Lea County, New Mexico**

**Rambo 193517 2H Well Proposal**  
**Bone Springs Formation**  
**E2 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 1H Wolfcamp Formation	FNL: 190' FEL: 1290'	FNL: 100' FEL: 1200'	E/2 of Section 17, T19S, 35E and Section 8, T19S, R35E	9,989'	20,698'
Rambo 193517 2H Bone Spring Formation	FNL: 190' FEL: 1390'	FNL: 100' FEL: 1200'	E/2 of Section 17, T19S, 35E and Section 8, T19S, R35E	9,740'	20,444'

*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](mailto:rswann@catenares.com) or call me at (210) 775-6993.

Sincerely,

Catena Resources Operating, LLC

Robert Swann  
Land Manager

18402 US Hwy 281 N  
Suite 258  
San Antonio, TX 78259



210-119-7557  
[www.catenares.com](http://www.catenares.com)  
[info@catenares.com](mailto:info@catenares.com)



WELL COST ESTIMATE							AFE NO.	
		WELL NAME: Rambo 193817 1H	DATE: 18-Apr-20					
		RELD NAME:	START DATE:					
		LOCATION: 2.8 sec. 1649A	COMPLETE DATE:					
		COUNTY / ST: Lea County, NM	ORIGINAL:					
		OBJECTIVE: Wolfcamp	SUPPLEMENT:					
INTANGIBLE COSTS		ACCT CODE	DRILLING - \$/100X	ACCT CODE	COMPLETION - \$/20K	ACCT CODE	FACILITIES - \$/50X	TOTAL
Legal Fees / Title Opinion	31001	\$50,000	32001	\$0	33001	\$0	\$0	\$50,000
Surveys / Staking / Permits / Bonds / Regulatory	31002	\$15,700	32002	\$0	33002	\$0	\$0	\$15,700
R/W / Surface Damage	31003	\$60,000	32003	\$0		\$0	\$0	\$60,000
Roads & Location / Reserve Pit - Construction	31004	\$90,000	32004	\$0		\$0	\$0	\$90,000
Roads & Location / Reserve Pit - Rehabilitation	31005		32005	\$0		\$0	\$0	\$0
Fract. Pond	31006		32006	\$0		\$0	\$0	\$0
Gate Guard	31007		32007	\$0		\$0	\$0	\$0
Mud / Wash / Conductor	31008	\$18,000		\$0		\$0	\$0	\$18,000
Mud / Wash / Desulfurization	31009	\$750,000	32008	\$0		\$0	\$0	\$750,000
Drilling - Drywork	31010	\$574,048		\$0		\$0	\$0	\$574,048
Drilling - Postage	31011			\$0		\$0	\$0	\$0
Drilling - Turnkey	31012			\$0		\$0	\$0	\$0
Completion / Shimming / Workover Unit	31013		32009	\$10,000		\$0	\$0	\$10,000
Trailer / House / Communications	31014	\$43,072	32010	\$24,000		\$0	\$0	\$67,072
Drill Bits	31015	\$123,000	32011	\$0		\$0	\$0	\$123,000
Directional Equipment / Gyro Surveys	31016	\$246,376	32012	\$0		\$0	\$0	\$246,376
Downhole Tool / Stabilization Rental	31017	\$37,071	32013	\$34,000		\$0	\$0	\$71,071
Mud / Chemicals	31018	\$222,558	32014	\$201,800		\$0	\$0	\$424,358
Fluid / Power	31019	\$118,487	32015	\$47,800		\$0	\$0	\$166,287
Water Supply Well, equipment	31020	\$2,893	32016	\$0		\$0	\$0	\$2,893
Water / Water Handling	31021		32017	\$16,550		\$0	\$0	\$16,550
Offsite Water & Cuttings Disposal	31022	\$284,770	32018	\$10,500		\$0	\$0	\$295,270
Transportation / Hauling	31023	\$31,000	32019	\$0	33003	\$10,000	\$48,000	\$89,000
Inspection / Tubular Testing	31024	\$181,000	32020	\$0		\$0	\$0	\$181,000
Laydown Machine / Casing Crew / Tonge	31025	\$82,190	32021	\$0		\$0	\$0	\$82,190
Cementing, Well Equipment & Services	31026	\$88,072	32022	\$0		\$0	\$0	\$88,072
Mud Logging	31027	\$55,343		\$0		\$0	\$0	\$55,343
Logging - Open Hole	31028		32023	\$0		\$0	\$0	\$0
Logging - Cased Hole	31029		32024	\$12,000		\$0	\$0	\$12,000
Coring & Analysis, Drill Stem Test	31030			\$0		\$0	\$0	\$0
Perforating	31031		32025	\$421,200		\$0	\$0	\$421,200
Wireline / Trackline Services	31032	\$10,000	32026	\$0		\$0	\$0	\$10,000
Equipment Rental	31033	\$103,800	32027	\$228,000		\$0	\$0	\$331,800
Pumping Services/Rental	31034		32028	\$23,000		\$0	\$0	\$23,000
Acidizing & Fracturing	31035		32029	\$2,479,000		\$0	\$0	\$2,479,000
Cool Tubing Unit	31036		32030	\$120,000		\$0	\$0	\$120,000
Road Testing, Seabbing	31037		32031	\$93,813		\$0	\$0	\$93,813
Raising / Sidetrack Services	31038		32032	\$0		\$0	\$0	\$0
Nipple Up / BOPE Testing	31039	\$8,400	32033	\$23,000		\$0	\$0	\$31,400
Overhead	31040	\$8,000	32034	\$19,500		\$0	\$0	\$27,500
Wellbore Consulting Services/Supervision	31041	\$120,828	32035	\$153,900	33003	\$20,000	\$344,728	\$649,456
Engineering / Geological / Lab Service Tracers and diagnostic	31042	\$20,000	32036	\$15,000		\$10,000	\$75,000	\$120,000
Roughneck / Contract Labor	31043	\$8,400	32037	\$0	33004	\$160,000	\$168,400	\$176,800
Welding Services	31044	\$5,120	32038	\$0		\$0	\$0	\$5,120
Insurance	31045	\$10,000	32039	\$0	33065	\$0	\$30,000	\$40,000
Miscellaneous	31046		32040	\$0	33066	\$0	\$0	\$0
P&A Costs	31047		32041	\$0		\$0	\$0	\$0
Safety / EHS	31048		32042	\$4,610	33007	\$0	\$0	\$4,610
5.5% Contingency (5% Taxes on Casing included by casing cost)	31049	\$141,873	32043	\$211,200		\$19,500	\$442,813	\$674,583
NOV-OP Drilling Intangible	31050		32044	\$0		\$0	\$0	\$0
Pipeline Installation / Interconnect	31051		32045	\$0	32099	\$0	\$0	\$0
<b>TOTAL INTANGIBLE COSTS</b>		<b>\$2,881,422</b>		<b>\$5,899,388</b>		<b>\$220,500</b>	<b>\$6,171,310</b>	
TANGIBLE COSTS		ACCT CODE	DRILLING - \$/100X	ACCT CODE	COMPLETION - \$/210K	ACCT CODE	FACILITIES - \$/210K	TOTAL
Conductor	Site	Feet	\$/ft	31101				
Surface Casing	13.5"			31102	\$88,000			\$88,000
1st Intermediate Casing / Liner	9.5"			31103	\$113,200			\$113,200
2nd Intermediate Casing / Liner				31104				\$0
Production Casing / Liner	5.12"	21,000	\$18.00			32101	\$420,000	\$438,000
Casing Tie Back						32102		\$0
Liner Hanger Assembly						32103		\$0
Tubing	2.875	19,300	\$	31105	\$8,400			\$8,400
Casing Equipment - OHM / Etc.				31106	\$50,000			\$50,000
Wellhead Equipment				32107	\$27,000			\$27,000
Pumping Unit / Prime Mover / Base				32108	\$0	33101	\$0	\$0
Road / Pony Road / Binker Bars				32109	\$0	33102	\$0	\$0
Artificial Lift Drive - On Lift				32110	\$14,000	33103	\$0	\$14,000
Wellhead Equipment, Completion - Production Tree				31107	\$42,000	33104	\$0	\$42,000
Tanks / Tank Skips / Bunks				32111	\$0	33105	\$68,000	\$68,000
Gas Treating / Dehydration Equipment				32112	\$0	33106	\$0	\$0
Separation Equipment, Heater Treater				32113	\$0	33107	\$88,200	\$88,200
Surface Pumps				32114	\$0	33108	\$5,000	\$5,000
Pipes				32115	\$0	33109	\$0	\$0
Buildings				32116	\$0	33110	\$0	\$0
Interconnect Piping / Manifolds / Headers				32117	\$0	33111	\$60,000	\$60,000
Flare/Burn / Connectors / Valves				32118	\$0	33112	\$48,800	\$48,800
Automation / Instruments / Controls / Analyzers				32119	\$0	33113	\$18,000	\$18,000
Electrical Equipment / Generators				32120	\$0	33114	\$37,000	\$37,000
Compressor & Related Equipment				32121	\$0	33115	\$0	\$0
Metering Equipment, LACT Unit				32122	\$0	33116	\$104,000	\$104,000
Chemical Equipment / Cathodic Protection				32123	\$0	33117	\$0	\$0
Subsurface Equipment - Packer, Plug, TAC				32124	\$11,000	33118	\$0	\$11,000
Safety / EHS Equipment				32125	\$4,000	33119	\$16,000	\$20,000
NOV-OP Drilling Intangible				32126	\$0	33120	\$0	\$0
Fracture/RFWD Pump & Equipment				32127	\$0	33121	\$18,000	\$18,000
Flare / Combustor				32128	\$0	33122	\$32,000	\$32,000
Miscellaneous				32129	\$34,410	33123	\$0	\$34,410
Contingency Costs				31107	\$11,490	32130	\$0	\$11,490
<b>TOTAL TANGIBLE COSTS</b>			<b>\$248,430</b>		<b>\$678,000</b>		<b>\$503,220</b>	<b>\$1,429,650</b>
<b>TOTAL WELL COSTS</b>			<b>\$3,129,852</b>		<b>\$6,577,388</b>		<b>\$723,720</b>	<b>\$10,431,000</b>
Prepared by: _____	Drawn/Checked: _____	Title Engineer: _____						
This AFE is only an estimate. By returning one signed copy, you agree to pay your share of the actual costs incurred.								
<input type="checkbox"/> I elect to be covered by Operator's Baire Expenses insurance and pay my proportionate share of the premium. <input type="checkbox"/> I elect to purchase my own well control insurance policy.								
Other fees & credits above NOV-OP Drilling Intangible are not eligible to be covered by Operator's well control insurance.								
Joint Owner Interest: _____ Amount: _____								
Joint Owner Name: _____				Signature: _____				



ATENA RESOURCES		WELL COST ESTIMATE					AFENO.
WELL NAME: Rambo 180517 2H		DATE: 16-Apr-20					
LOCATION: 2 sec lateral, Las County, NM		START DATE:					
COUNTY/ST: Las County, NM		COMPLETE DATE:					
OBJECTIVE: Bone Spring		ORIGINAL:					
		SUPPLEMENT:					
INTANGIBLE COSTS	ACCT CODE	DRLING - 310KK	ACCT CODE	COMPLETION - 320XX	ACCT CODE	FACILITIES - 330KK	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	\$0	32003	\$0		\$0	\$0
Roads & Location / Reserve Pit - Construction	31004	\$0	32004	\$0		\$0	\$0
Roads & Location / Reserve Pit - Reclamation	31005	\$0	32005	\$0		\$0	\$0
Frac Pond	31006	\$0	32006	\$0		\$0	\$0
Gate Guard	31007	\$0	32007	\$0		\$0	\$0
House / Bathhouse / Conductor	31008	\$10,000		\$0		\$0	\$10,000
Mobilization / Demobilization	31009	\$730,878	32008	\$0		\$0	\$730,878
Drilling - Daywork	31010	\$475,000		\$0		\$0	\$475,000
Drilling - Footage	31011	\$0		\$0		\$0	\$0
Drilling - Turnkey	31012	\$0		\$0		\$0	\$0
Completion / Shimming / Workover Unit	31013	\$0	32009	\$40,000		\$0	\$40,000
Trailer House / Communications	31014	\$43,372	32010	\$24,000		\$0	\$67,372
Drill Bits	31015	\$80,000	32011	\$0		\$0	\$80,000
Directional Equipment / Open Surveys	31016	\$725,000	32012	\$0		\$0	\$725,000
Downhole Tool / Stabilization Rental	31017	\$87,078	32013	\$34,000		\$0	\$121,078
Mud / Chemicals	31018	\$200,000	32014	\$801,500		\$0	\$1,001,500
Fluid / Power	31019	\$104,500	32015	\$471,000		\$0	\$575,500
Water Supply Well, equipment	31020	\$3,400	32016	\$0		\$0	\$3,400
Water / Water Handling	31021	\$0	32017	\$18,000		\$0	\$18,000
Offsite Water & Cuttings Disposal	31022	\$243,056	32018	\$30,000		\$0	\$273,056
Transportation / Hauling	31023	\$31,000	32019	\$0	33008	\$15,000	\$46,000
Inspection / Tubular Testing	31024	\$55,656	32020	\$0		\$0	\$55,656
Laydown Machines / Casing Crew / Forge	31025	\$50,245	32021	\$0		\$0	\$50,245
Geosensing, Fluid Equipment & Services	31026	\$67,458	32022	\$0		\$0	\$67,458
Mud Logging	31027	\$35,343		\$0		\$0	\$35,343
Logging - Open Hole	31028	\$0	32023	\$0		\$0	\$0
Logging - Cased Hole	31029	\$0	32024	\$13,000		\$0	\$13,000
Coring & Analysis, Drill Stem Test	31030	\$0		\$0		\$0	\$0
Perforating	31031	\$0	32025	\$431,200		\$0	\$431,200
Wireline / Slickline Services	31032	\$0	32026	\$13,000		\$0	\$13,000
Equipment Rental	31033	\$149,500	32027	\$238,000		\$0	\$387,500
Pumping Services/Rental	31034	\$0	32028	\$21,000		\$0	\$21,000
Acidizing & Fracturing	31035	\$0	32029	\$2,175,000		\$0	\$2,175,000
Coil Tubing Unit	31036	\$0	32030	\$10,000		\$0	\$10,000
Flow Testing, Swabbing	31037	\$0	32031	\$5,875		\$0	\$5,875
Fishing / Sidetrack Services	31038	\$0	32032	\$0		\$0	\$0
Nipple Up / DOPE Testing	31039	\$6,400	32033	\$2,000		\$0	\$8,400
Overhead	31040	\$8,000	32034	\$19,500		\$0	\$27,500
Wellbore Consulting Services/Supervision	31041	\$159,861	32035	\$103,200	33003	\$20,000	\$283,061
Engineering / Geological / Lab Service Tracers and diagnostics	31042	\$25,000	32036	\$35,000		\$15,000	\$75,000
Routebook / Contract Labor	31043	\$8,400	32037	\$0	33004	\$180,000	\$188,400
Welding Services	31044	\$5,120	32038	\$0		\$0	\$5,120
Insurance	31045	\$10,000	32039	\$0	33005	\$0	\$10,000
Miscellaneous	31046	\$0	32040	\$0	33006	\$0	\$0
PAU Costs	31047	\$0	32041	\$0		\$0	\$0
Safety / EHS	31048	\$8,610	32042	\$0	33007	\$0	\$8,610
5% Contingency (5% Taxes on Casing Included In casing cost)	31049	\$141,202	32043	\$211,200		\$10,000	\$362,402
NON-Op Drilling Intangible	31050	\$0	32044	\$0		\$0	\$0
Pipeline Installation / Enforcement	31051	\$0	32045	\$0	33008	\$0	\$0
<b>TOTAL INTANGIBLE COSTS</b>		<b>\$7,789,824</b>		<b>\$3,663,281</b>		<b>\$220,200</b>	<b>\$8,673,305</b>
TANGIBLE COSTS	ACCT CODE	DRLING - 3110K	ACCT CODE	COMPLETION - 3210K	ACCT CODE	FACILITIES - 3310K	TOTAL
Conductor		Size	Feet	\$/ft			
Surface Casing	31101						\$68,600
1st Intermediate Casing / Liner	31102	13 3/8"		\$68,600			\$68,600
2nd Intermediate Casing / Liner	31103	9 5/8"		\$113,200			\$113,200
Production Casing / Liner	31104	5 1/2"	26,750	\$18.00			\$482,250
Casing Tie Back							\$0
Liner Hanger Assembly							\$0
Tubing		2 7/8"	19,000	\$ 5.85			\$111,150
Casing Equipment - OHS / Etc.	31105						\$0
Wellhead Equipment	31106						\$38,750
Pumping Unit / Prime Mover / Base	31107						\$0
Road / Pony Road / Baker Base	31108						\$0
Artificial Lift Other - Gas Lift	31109						\$14,000
Wellhead Equipment Completion - Production Tree	31110						\$42,000
Tanks / Tank Skips / Bases	31111						\$56,000
Gas Treating / Dehydration Equipment	31112						\$0
Separation Equipment, Heater Treater	31113						\$48,200
Surface Pumps	31114						\$3,000
Flare	31115						\$0
Buildings	31116						\$0
Interconnect Piping / Manifolds / Headers	31117						\$40,000
Flowlines / Connectors / Valves	31118						\$46,800
Automation / Instruments / Controls / Analyzers	31119						\$18,000
Electrical Equipment / Generators	31120						\$32,000
Compressor & Related Equipment	31121						\$0
Watering Equipment, LACT Unit	31122						\$104,000
Chemical Equipment / Cathodic Protection	31123						\$0
Subsurface Equipment - Packer, Plug, YAC	31124						\$11,000
Safety / EHS Equipment	31125						\$18,000
NON-OP Drilling Intangible	31126						\$0
Trailer/BWD Pumps & Equipment	31127						\$19,000
Here / Combustor	31128						\$18,000
Miscellaneous	31129						\$8,410
Contingency Costs	31130						\$30,750
<b>TOTAL TANGIBLE COSTS</b>		<b>\$270,240</b>		<b>\$813,610</b>		<b>\$480,220</b>	<b>\$1,564,070</b>
<b>TOTAL WELL COSTS</b>		<b>\$8,059,864</b>		<b>\$4,476,891</b>		<b>\$700,420</b>	<b>\$13,237,175</b>
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.							
If neither box is checked above, my operating working interest (we) elects to be covered by Operator's well control insurance.							
Joint Owner Interest:		Amount:					
Joint Owner Name:		Signature:					



# EXHIBIT A

## OCD CASE 21460

- Initial application was filed on September 8, 2020 by Michael Feldewert with Holland and Hart.
- The Padilla Law Firm, P.A. filed their Substitution of Counsel and Entry of Appearance on January 20, 2021.

HOLLAND & HART<sup>LLP</sup>



**Michael H. Feldewert**

Phone (505) 988-4421

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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 1H 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](mailto:rswann@catenares.com).

Sincerely,

**ATTORNEY 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 NO. 21460

**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 E/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 1H well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 20 to a bottom hole location in the NE/4 NE/4 (Unit A) 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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**ATTORNEYS FOR  
CATENA RESOURCES OPERATING, LLC**

ADDR1	ADDR2	ADDR3	ADDR4	ADDR5	ADDR6
COG Operating	600 W. Illinois Ave	Midland	TX	79701	
MRC Permian	5400 LBJ Freeway, Suite 1500	Dallas	TX	75240	
Chevron	PO Box 1635	Houston	TX	77251	
Featherstone	PO Box 429	Roswell	NM	88202	
Ross Duncan	PO Box 647	Artesia	NM	88211	
Big Three Energy	PO Box 429	Roswell	NM	88202	
Robert G. Hooper	PO Box 773	Roswell	NM	88240	
Roy G. Barton	1919 N Turner St	Hobbs	NM	88240	
Camarie Oil & Gas	2502 Camarie	Midland	TX	79705	
Panhandle Properties	PO Box 647	Artesia	NM	88211	

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