Page 1

STATE OF NEW MEXICO

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

Application of CATENA RESOURCES OPERATING, LLC, to Amend Order R-21942, lea County, New Mexico

Case No. 22283

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, NOVEMBER 4, 2021

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, Dean McClure Technical Examiner, on Thursday, November 4, 2021, via Webex Virtual Conferencing Platform hosted by the New Mexico Department of Energy, Minerals and Natural Resources

Reported by: Mary Therese Macfarlane New Mexico CCR #122 PAUL BACA COURT REPORTERS 500 Fourth Street NW, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 1 A P P E A R A N C E S. 2 FOR CATENA RESOURCES OPERATING, LLC: 3 Kaitlyn A. Luck, Esq. Holland & Hart 110 North Guadalupe, Suite 1 4 Santa Fe, New Mexico 87501 5 (505) 988-4421 kal@hollandhart.com 6 7 FOR MARATHON OIL PERMIAN: 8 Deana M. Bennett, Esq. Modrall, Sperling, Roehl, 9 Harris & Sisk Post Office Box 2168 10 Albuquerque, NM 87103-2168 deana.bennett@modrall.com 11 12 FOR MEWBOURNE OIL COMPANY: 13 James Bruce, Esq. Post Office Box 1056 14 Santa Fe, NM 87504 (505) 982-2043 15 jamesbruc@aol.com 16 17 18 19 20 21 2.2 23 24 25

			Page 3
1		CONTENTS	
2	CASE	E NO. 22283	PAGE
3	CASE	CALLED:	4
4	PRES	SENTATION BY MS. LUCK:	4
5	TAKE	IN UNDER ADVISEMENT:	6
6			
7		INDEX OF EXHIBITS	
8	CATE	NA RESOURCES OPERATING EXHIBITS	
9	NO.	DESCRIPTION	ADMITTED
10	1	Application	6
11	2	Affidavit of Cato Clark, Landman	6
12	3	Notice Affidavit	6
13	4	Notice of Publication	6
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

Page 4 1 (Time noted 9:08 a.m.) EXAMINER BRANCARD: All right. Let me call Case 2 3 22283, No. 27 on the worksheet, Catena Resources. 4 MS. LUCK: Good morning, Mr. Examiner. Kaitlyn Luck with the Santa Fe office of Holland & Hart for Catena 5 Resources in this case. б 7 EXAMINER BRANCARD: We have an entry for Marathon Oil, LLC. 8 MS. BENNETT: Good morning, Mr. Examiner. Deana 9 Bennett on behalf of Marathon Oil Permian, LLC. 10 And Marathon does not object to this case going forward by 11 12 affidavit but has entered its appearance to protect its rights, if necessary. 13 EXAMINER BRANCARD: Thank you. Are there any 14 15 other interested persons for Case 22283? 16 MR. BRUCE: Mr. Examiner, Jim Bruce. I'm 17 entering an appearance on behalf of Mewbourne Oil Company, and likewise no objection to the matter being presented by 18 affidavit. 19 20 EXAMINER BRANCARD: Thank you. Anyone else? 21 Hearing none, Ms. Luck you may proceed. 22 MS. LUCK: Thank you. 23 In this case Catena is seeking to amend 24 Order No. R-21492 to obtain an extension of a drilling 25 deadline in the Order. That Order entered on October 13,

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102

Page 5 of 2020 in Case 21459 created a standard 640-acre spacing 1 2 unit in the Wolfcamp Formation, comprised of the east half 3 of Sections 6 and 7 all in Township 19 South, Range 35 4 East, in Lea County, New Mexico. And since that time that the Order was 5 entered Catena has delayed its drilling of this spacing 6 7 unit due to Covid and management changes, so Catena is seeking a one-year extension of the drilling deadline 8 until October 13th of 2022. And Catena expects to be able 9 to complete drilling of the initial well in the spacing 10 unit by that date. 11 12 So in the exhibit packet Catena has 13 included a copy of the Application as Exhibit A; and a Landman Affidavit as Exhibit B. And then Notice of this 14 15 hearing was provided to the pooled working interest 16 owners, which is reflected on Catena's Exhibit C. I would move the admission of Catena's 17 Exhibits A through C and request this case be taken under 18 advisement. 19 EXAMINER BRANCARD: Thank you. Ms. Bennett, any 20 21 questions? 22 MS. BENNETT: No questions. Thank you. 23 EXAMINER BRANCARD: Mr. Bruce? 24 MR. BRUCE: No questions. 25 EXAMINER BRANCARD: Thank you.

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102

	Page 6
1	Mr. McClure.
2	EXAMINER McCLURE: No questions here either.
3	EXAMINER BRANCARD: Thank you.
4	Any other persons interested in Case 22283?
5	Hearing none, the exhibits will be admitted
6	and this case will be taken under advisement. Thank you.
7	(Time noted 9:11 a.m.)
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102

	Page 7
1	STATE OF NEW MEXICO).
2	: ss
3	COUNTY OF TAOS)
4	
5	REPORTER'S CERTIFICATE
6	I, MARY THERESE MACFARLANE, New Mexico Reporter
7	CCR No. 122, DO HEREBY CERTIFY that on Thursday,
8	November 4, 2021, the proceedings in the above-captioned
9	matter were taken before me; that I did report in
10	stenographic shorthand the proceedings set forth herein,
11	and the foregoing pages are a true and correct
12	transcription to the best of my ability and control.
13	I FURTHER CERTIFY that I am neither employed by
14	nor related to nor contracted with (unless excepted by the
15	rules) any of the parties or attorneys in this case, and
16	that I have no interest whatsoever in the final
17	disposition of this case in any court.
18	
19	/s/Mary Macfarlane
20	MARY THERESE MACFARLANE, CCR NM Certified Court Reporter No. 122
21	License Expires: 12/31/2021
22	
23	
24	
25	