

**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. _____

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 Section 36, Township 18 South, Range 34 East, and the W/2 of Section 1, Township 19 South, Range 34 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 **Crisscross 183436 3H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 25 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 1.
3. The completed interval for the proposed well will remain within 330 feet of the E/2 W/2 of Sections 36 and 1 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 July 23, 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,

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**ATTORNEYS FOR
CATENA RESOURCES OPERATING, LLC**

CASE _____: **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 Section 36, Township 18 South, Range 34 East, and the W/2 of Section 1, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed **Crisscross 183436 3H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 25 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 1. The completed interval for the proposed well will remain within 330 feet of the E/2 W/2 of Sections 36 and 1 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 20 miles East of Hobbs, New Mexico.