

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

**APPLICATION OF CATENA RESOURCES
OPERATING, LLC TO AMEND ORDER NO.
R-21436, LEA COUNTY, NEW MEXICO.**

**CASE NO. _____
(ORDER NO. R-21436)**

APPLICATION

Catena Resources Operating, LLC (“Applicant” or “Catena”) (OGRID No. 328449), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, to amend Order No. R-21436 (“Order”) to allow for an extension of time for drilling the proposed initial well under the Order. In support of its application, Catena states:

1. Division Order No. R-21436, entered on August 18, 2020, in Case No. 21357, created a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 22 and 27, Township 18 South, Range 35 East, Lea County, New Mexico (the “Unit”), and designated Catena as operator of the Unit.

2. Order No. R-21436 further pooled the uncommitted interests in the Bone Spring formation (Scharb; Bone Spring pool [55610]) in the Unit and dedicated the Unit to the proposed initial **Ladder 183527 #1H well** (API No. 30-025-pending) to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 22.

3. Applicant requests that Order No. R-21436 be re-opened and amended to allow Applicant additional time to commence drilling the well under the Order.

4. There is good cause for Applicant’s request for an extension of time to drill due to the change in ownership and management of Catena during 2020. Additionally, the decline in

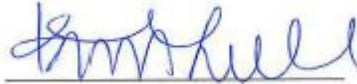
commodity prices in 2020 caused by the global COVID pandemic and other economic factors led to Catena reducing its rig count, thereby causing Catena to delay its intended plans to develop the acreage subject to the Order.

5. Under the Order, Applicant would be required to commence drilling the well by August 18, 2021, and therefore, asks for the deadline to commence drilling the well be extended for a year, to August 18, 2022.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 5, 2021, and, after notice and hearing as required by law, the Division enter an order extending the time for Catena to commence drilling the proposed initial well under the Order.

Respectfully submitted,

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