

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING SEPTEMBER 9, 2021**

CASE No. 22137

ROPE 183519 #1H WELL

LEA COUNTY, NEW MEXICO



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

**APPLICATION OF CATENA RESOURCES
OPERATING, LLC TO AMEND ORDER
NO. R-21433, LEA COUNTY, NEW
MEXICO.**

**CASE NO. 22137
(ORDER NO. R-21433)**

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

APPLICATION OF CATENA RESOURCES
OPERATING, LLC TO AMEND ORDER NO.
R-21433, LEA COUNTY, NEW MEXICO.

CASE NO. 22137
(ORDER NO. R-21433)

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-21433 (“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-21433, entered on August 18, 2020, in Case No. 21351, created a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 19 and 30, Township 18 South, Range 35 East, Lea County, New Mexico (the “Unit”), and designated Catena as operator of the Unit.

2. Order No. R-21433 further pooled the uncommitted interests in the Wolfcamp formation (Airstrip; Wolfcamp pool [970]) in the Unit and dedicated the Unit to the proposed initial **Rope 183519 #1H well** (API No. 30-025-pending) to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 18 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 30.

3. Applicant requests that Order No. R-21433 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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A

Submitted by: Catena Resources Operating, LLC
Hearing Date: September 09, 2021
Case No. 22137

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 September 9, 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,

HOLLAND & HART LLP



By: _____

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ATTORNEYS FOR CATENA RESOURCES
OPERATING, LLC

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

**APPLICATION OF CATENA RESOURCES
OPERATING, LLC TO AMEND ORDER
NO. R-21433, LEA COUNTY, NEW
MEXICO.**

**CASE NO. 22137
(ORDER NO. R-21433)**

AFFIDAVIT OF CATO CLARK

Cato Clark, of lawful age and being first duly sworn, declares as follows:

1. My name is Cato Clark. I am a landman for Catena Resources Operating, LLC (“Catena”).

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum land manager have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by Catena in this case, and I am familiar with the status of the lands in the subject area.

4. None of the pooled parties has indicated opposition to this extension application, and therefore I do not expect any opposition at the hearing

5. Division Order No. R-21433, entered on August 18, 2020, in Case No. 21351, created a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 19 and 30, Township 18 South, Range 35 East, Lea County, New Mexico (the “Unit”), and designated Catena as operator of the Unit.

6. Order No. R-21433 further pooled the uncommitted interests in the Wolfcamp formation (Airstrip; Wolfcamp pool [970]) in the Unit and dedicated the Unit to the proposed

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B**

**Submitted by: Catena Resources Operating, LLC
Hearing Date: September 09, 2021
Case No. 22137**

initial Rope 183519 #1H well (API No. 30-025-pending) to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 18 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 30.

7. Catena's change in management, as well as the decline in commodity prices in 2020 caused by the global COVID-19 pandemic and other economic factors, led Catena to delay its intended plans to develop the acreage subject to the Order.

8. The Order required drilling to commence within a year, by August 18, 2021.

9. Catena has not yet commenced drilling the well as required by Order No. R-21433 but anticipates drilling within the next year.

10. Catena therefore requests that the deadline to commence drilling under the pooling order be extended for a year, to August 18, 2022.

11. Catena provided our outside counsel, Holland and Hart, with a list of the working interest owners that remain subject to each pooling order and instructed them to provide notice of this hearing to these pooled working interest owners.

12. None of the working interest owners that remain subject to these pooling orders have been asked at this time to make an election on the applicable well, or to pay their estimated share of the costs to drill, complete and equip the applicable well.

FURTHER AFFIANT SAYETH NOT.

CATO CLARK

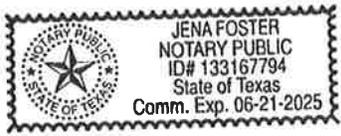
STATE OF TEXAS)

COUNTY OF Harris)

SUBSCRIBED and SWORN to before me this 2nd day of September 2021 by Cato Clark.

NOTARY PUBLIC

My Commission Expires:
6-21-25





Kaitlyn A. Luck
Phone (505) 988-4421
kaluck@hollandhart.com

August 20, 2021

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Catena Resources Operating, LLC to Amend Order No. R-21433, Lea County, New Mexico.
Rope 183519 #1H well

Ladies & Gentlemen:

This letter is to advise you that Catena Resources Operating, LLC, has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on September 9, 2021, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

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 challenging the matter at a later date. 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 either online or in person at the Division's Santa Fe office 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 Cato Clark at (346) 200-7894 or at clark@catenares.com.

Sincerely,

Kaitlyn A. Luck
ATTORNEY FOR CATENA RESOURCES OPERATING, LLC

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Catena - Rope 1H
Case No. 22137 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765800084773	Axis Energy Corporation	PO Box 2107	Roswell	NM	88202-2107	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765800084735	COG Operating	600 W Illinois Ave	Midland	TX	79701-4882	We attempted to deliver your package at 5:54 pm on August 23, 2021 in MIDLAND, TX 79701 but could not access the delivery location. We will redeliver on the next business day.
9414811898765800084797	T.H. McElvain Oil & Gas, LLP	1600 Stout St Ste 500	Denver	CO	80202-3137	Your item has been delivered to an agent for final delivery in DENVER, CO 80202 on August 25, 2021 at 10:09 am.
9414811898765800084704	Marathon Oil Permian LLC	PO Box 2069	Houston	TX	77252-2069	Your item was picked up at a postal facility at 5:45 am on August 28, 2021 in HOUSTON, TX 77002.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated August 27, 2021 and ending with the issue dated August 27, 2021.



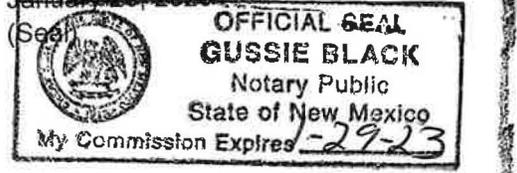
Publisher

Sworn and subscribed to before me this 27th day of August 2021.



Business Manager

My commission expires January 20, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL	LEGAL	LEGAL
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LEGAL NOTICE
August 27, 2021

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, September 9, 2021, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidez, at Marlene.Salvidez@state.nm.us. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidez at Marlene.Salvidez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than **August 29, 2021**.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e379adae1410a8aecfd0fe5582b1917ea>
Event number: 146 427 9260
Event password: HxJBs523k3Y

Join by video: 1464279260@nmemnrd.webex.com
Numeric Password: 857180
You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free
Access code: 146 427 9260

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All pooled working interest owners, including: Marathon Oil Permian LLC; T.H. McElvain Oil & Gas, LLP; COG Operating; and Axis Energy Corporation.

Case No. 22137: Application of Catena Resources Operating, LLC to Amend Order No. R-21433, Lea County, New Mexico. Applicant in the above-styled cause seeks a year extension of time for drilling the well under Order No. R-21433. The Unit is comprised of the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit in the E/2 of Sections 19 and 30, Township 18 South, Range 35 East, Lea County, New Mexico. Order No. R-21433 dedicated the Unit to the initial Rope 183519 #1H well (API No. 30-025-pending) to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 18 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 30. Said area is located approximately 20 miles west of Hobbs, New Mexico.
#36798

67100754

00257719

HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Catena Resources Operating, LLC
Hearing Date: September 09, 2021
Case No. 22137