

**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-21492,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 22718
Order No. R-21492
(Re-Open Case No. 21459)**

PRE-HEARING STATEMENT

Catena Resources Operating, LLC (“Applicant”) submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Catena Resources Operating, LLC

ATTORNEYS

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INTERESTED PARTY

COG Operating, LLC

ATTORNEYS

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STATEMENT OF THE CASE

On October 13, 2020, the Oil Conservation Division (“Division”) entered Order No. R-21492 (“Order”) in Case No. 21459, and pooled uncommitted mineral interests in the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit (“HSU”) comprised of the E/2 of Sections 6 and 7, Township 19 South, Range 35 East, NMPM, Lea County. The Order dedicated the HSU to the Mariner 193507 1H Well, to be drilled from a surface hole location in Unit A of Section 18 to a bottom hole location in Lot 1 of Section 6, and designated Catena as the operator of the HSU and well. Catena subsequently sought an extension of time to commence drilling the well until October 13, 2022, which was approved by Order No. R-21492-A.

Since Order No. R-21492 was issued, Catena has revised its development plans and seeks to amend the Order so that the unit consists of a 320-acre, more or less, standard HSU comprised of the W/2 E/2 of Sections 6 and 7, Township 19 South, Range 35 East in Lea County, New Mexico. Catena seeks to dedicate this spacing unit to the proposed Mariner W2 E2 06 07 W1 State Com 1H well (“Well”), which will be horizontally drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 18 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 6.

Catena requests that the Division issue an order:

1. Reducing the size of the approved horizontal spacing unit from 640-acres to 320-acres, more or less, consisting of the W/2 E/2 of Sections 6 and 7, Township 19 South, Range 35 East in Lea County;
2. Amending the location of the initial well approved by the Order; and
3. Pooling additional interest owners under the terms of the Order.

Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well.

The Well is located approximately 18 miles west of Hobbs, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Cato Clark	Landman	Affidavit	Approx. 5
Catherine Henry	Geologist	Affidavit	Approx. 6

PROCEDURAL MATTERS

Applicant will present its case by affidavit if there is no opposition to its application.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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CERTIFICATE OF SERVICE

I hereby certify that on April 28, 2022, I served a true and correct copy of the foregoing pleading on the following counsel of record by electronic mail:

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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QUESTIONS

Action 102581

QUESTIONS

Operator: Catena Resources Operating, LLC 1001 Fannin Street Houston, TX 77002	OGRID: 328449
	Action Number: 102581
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	2
Testimony time (in minutes)	0