

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

**APPLICATION OF CATENA RESOURCES  
OPERATING LLC TO POOL ADDITIONAL  
INTEREST OWNERS UNDER ORDER NO.  
R-21890, LEA COUNTY, NEW MEXICO.**

**CASE NO. 22808  
ORDER NO. R-21890 (Re-Open)**

**EXHIBIT INDEX**

Compulsory Pooling Checklist

|           |   |
|-----------|---|
| Exhibit A | Self-Affirmed Statement of Cato Clark                                   |
| A-1       | Application & Proposed Notice of Hearing                                |
| A-2       | Order No. R-21890   |
| A-3       | Plat of Tracts, Ownership Interests, Uncommitted Interests to be Pooled |
| A-4       | Sample Well Proposal Letter and AFEs                                    |
| A-5       | Chronology of Contact   |
| Exhibit B | Affidavit of Dana S. Hardy  |
| B-1       | Sample Notice Letter to All Interested Parties                          |
| B-2       | Chart of Notice to All Interested Parties and Certified Mail Receipts   |
| B-3       | Affidavit of Publication for May 10, 2022                               |

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

APPLICATION OF CATENA RESOURCES  
OPERATING LLC TO POOL ADDITIONAL  
INTEREST OWNERS UNDER ORDER NO.  
R-21890, LEA COUNTY, NEW MEXICO

CASE NO. 22808  
ORDER NO. R-21890 (Re-Open)

SELF-AFFIRMED STATEMENT  
OF CATO CLARK

1. I am the Vice President of Land at Catena Resources Operating, LLC (“Catena”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-referenced case. Copies of the application and hearing notice are attached hereto as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

4. On October 22, 2021, the Division entered Order No. R-21890 (“Order”) in Case No. 21460, which pooled all uncommitted interests in the Scharb; Wolfcamp (Pool Code 55640) within the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 17 and 8, Township 19 South, Range 35 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Rambo 193517 1H well (“Well”) and designated Applicant as operator of the Unit and Well.

5. A copy of Order No. R-21890 is attached as **Exhibit A-2**.

Catena Resources Operating LLC  
Case No. 22808  
Exhibit A

6. Since the Order was entered, Catena has identified additional uncommitted interests in the Unit that have not been pooled under the terms of the Order.

7. **Exhibit A-3** provides a plat of the tracts included in the Unit, identifies the interests in each tract, and identifies the additional uncommitted interests to be pooled under the terms of Order No. R-21890, which are highlighted in yellow. All of the interest owners are locatable.

8. **Exhibit A-4** is a sample well proposal letter that I sent to the interest owners.

9. In my opinion, Catena has made a good-faith effort to reach voluntary joinder as indicated by the chronology of contact described in **Exhibit A-5**.

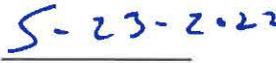
10. Catena requests the additional uncommitted mineral interests be pooled under the terms of Order No. R-21890.

11. In my opinion, the granting of Catena's application would serve the interests of conservation and the prevention of waste.

12. The attached exhibits attached were either prepared by me or under my supervision or were compiled from company business records.

13. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 12 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

  
\_\_\_\_\_  
Cato Clark

  
\_\_\_\_\_  
Date

**STATE OF NEW MEXICO  
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**APPLICATION OF CATENA RESOURCES  
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**CASE NO.** 22808  
**ORDER NO. R-21890 (Re-Open)**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Catena Resources Operating, LLC (“Applicant”) (OGRID No. 328449) files this application with the Oil Conservation Division (“Division”) for the limited purpose of pooling additional mineral interest owners under the terms of Division Order No. R-21890. Applicant states the following in support of its application.

1. On October 22, 2021, the Division entered Order No. R-21890 (“Order”) in Case No. 21460, which pooled all uncommitted interests in the Scharb; Wolfcamp (Pool Code 55640) within the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 17 & 8, Township 19 South, Range 35 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Rambo 193517 1H well (“Well”) and designated Applicant as operator of the Unit and Well.
2. Since entry of the Order, Applicant has identified additional mineral interest owners in the Unit that have not been pooled under the terms of the Order.
3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional mineral interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from the owners.

Catena Resources Operating LLC  
Case No. 22808  
Exhibit A-1

4. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional mineral interest owners should be pooled into the Unit pursuant to terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Oil Conservation Division on June 2, 2022, and after notice and hearing as required by law, the Division pool the additional mineral interest owners into the Unit pursuant to the terms of Division Order No. R-21890.

Respectfully submitted,

HINKLE SHANOR LLP

*/s/ Dana S. Hardy* \_\_\_\_\_

Dana S. Hardy

Jaclyn M. McLean

Jeremy I. Martin

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

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[jmartin@hinklelawfirm.com](mailto:jmartin@hinklelawfirm.com)

*Counsel for Catena Resources Operating, LLC*

This is to notify all interested parties, including MRC Permian Company, c/o Matador Resources Company; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Catena Resources Operating, LLC (Case No. 22808). 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 June 2, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant seeks to pool additional mineral interest owners under the terms of Division Order No. R-21890. The Division entered Order No. R-21890 in Case No. 21460, which pooled all uncommitted interests in the Scharb; Wolfcamp (Pool Code 55640) within the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 17 & 8, Township 19 South, Range 35 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the **Rambo 193517 1H** well ("Well") and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional mineral interest owners in the Unit who should be pooled under the terms of the Order. The Well is located approximately 18 miles west of Hobbs, New Mexico.

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
CATENA RESOURCES OPERATING, LLC**

**CASE NO. 21460  
ORDER NO. R-21890**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on August 19, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Catena Resources Operating, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

Catena Resources Operating LLC  
Case No. 22808  
Exhibit A-2

10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the

election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR

AES/jag

Date: 10/22/2021

CASE NO. 21460  
ORDER NO. R-21890

Exhibit A

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| COMPULSORY POOLING APPLICATION CHECKLIST (AMENDED)                                     |  |
|--|--|
| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS              |  |
| Case: 21460  | Applicant's Response   |
| Date: April 20, 2021   |  |
| Applicant  | Catena Resources Operating, LLC  |
| Designated Operator & OGRID (affiliation if applicable)                                | 328449   |
| Applicant's Counsel  | Ernest L. Padilla  |
| Case Title   | Application of Catena Resources Operating, LLC for compulsory pooling in Lea County, New Mexico  |
| Entries of Appearance/Intervenors  | Ocean Munds-Dry/COG Operating LLC James Bruce/Matador Production Company   |
| Well Family  | Rambo 193517   |
| Formation/Pool   |  |
| Formation Name(s) or Verticle Extent   | Scharb; Wolfcamp   |
| Primary Product (Oil or Gas)   | Oil  |
| Pooling this verticle extent   | Wolfcamp formation   |
| Pool Name and Pool Code  | Scharb; Wolfcamp 55640   |
| Well Location Setback Rules  | Standard   |
| Spacing Unit Size  | 640  |
| Spacing Unit   |  |
| Type (Horizontal/Verticle)   | Horizontal   |
| Size (acres)   | 640  |
| Building Blocks  | half sections-E/2 of Sections 17 & 8, T19S, R35E   |
| Orientation  | north south  |
| Description: TRS/County  | E/2 of Sections 17 & 8, T19S, R35E   |
| Description: TRS/County  | E/2 of Sections 17 & 8, T19S, R35E   |
| Standard Horizontal Well Spacing Unit  | Yes  |
| Other Situations   |  |
| Depth Severance: No  | No   |
| Proximity Tracts: If yes, description  | W/2W/2 of Sections 9 and 17, T19S, R35E  |
| Proximity Defining Well: If yes, description   | Cable 19 35 9 State Com No. 1H, API 30-25-41140  |
| Applicant's Ownership in Each Tract  | Exhibit B-2  |
| Well(s)  |  |
| Name & API (if assigned), surface and bottom hole location                             | Cable 19 35 9 State Com No. 1H, API 30-25-41140  |
| footages, completion target, orientation, completion status (standard or non-standard) | SHL - Unit M 54, 19S, 35E 193 FSL, 1054 FWL; BHL Unit M, S16, 19S, 35E, 100FSL, 990FWL<br>Yes  |
|  | Rambo 193517 1H<br>Well is to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 20 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 8. The completed interval for the proposed well will remain within 330 feet of the W/2 E/2 of Section 8 and 17 to include this offsetting acreage in a standard horizontal well spacing unit. |
| Horizontal Well First and Last Take Points   |  |
| Completion Target (Formation, TVD and MD)  | TVD-9,989' TMD-20,698'   |
|  | Identify the Exhibit and Page for Information below this line  |
| AFE Capex and Operating Costs  |  |
| Drilling Supervision/Month \$  | \$8000/\$800   |
| Production Supervision/Month \$  | Exhibit B-6  |
| Justification for Supervision Costs  | Exhibit B-6  |
| Request Risk Charge  | 200%   |
| Notice of Hearing  |  |
| Proposed Notice of Hearing   | Exhibit C  |
| Proof of Mailed Notice of Hearing (20 days before hearing)                             | Exhibit C  |
| Proof of Published Notice of Hearing (10 days before hearing)                          | Exhibit C  |
| Ownership Determination  |  |
| Land Ownership Schematic of the Spacing Unit   | Exhibit B-2  |
| Tract List (including lease numbers and owners)  | Exhibit B-2  |
| Pooled Parties (including ownership type)  | Exhibit B-2  |
| Unlocatable Parties to be Pooled   | None   |
| Ownership Depth Severance (Including percentage above & below)                         | None   |
| Joinder  |  |
| Sample Copy of Proposed Letter   | Exhibit B-5  |
| List of Interest Owners (ie Exhibit A of JOA)  | Exhibit B-2  |
| Chronology of Contact with Non-Joined Working Interests                                | Exhibit B-4  |
| Overhead Rates in Proposal Letter  |  |
| Cost Estimates to Drill and Complete   | Exhibit B-6  |
| Cost Estimate to Equip Well  | Exhibit B-6  |
| Cost Estimate for Production Facilities  | Exhibit B-6  |
| Geology  |  |
| Summary (Including special considerations)   | Exhibit A pages 1-3 & A-1  |
| Spacing Unit Schematic   | Exhibit A-2 & Exhibit A-3  |
| Gunbarrel/Lateral Trajectory Schematic   |  |
| Well Orientation (with rationale)  | Exhibit A-2  |
| Target Formation   | Exhibit A-2  |
| HSU Cross Section  | Exhibit A-4  |
| Depth Severance Discussion   | None   |

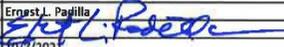
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|   |  |
|---|--|
| Forms, Figures and Tables   | None   |
| C-102   | Exhibit B-1  |
| Tracts  | Exhibit B-1  |
| Summary of Interests, Unit Recapitulation (Tracts)  | Exhibit B-1  |
| General Location Map (Including basin)  | Exhibit A-2  |
| Well Orientation (with rationale)   | Exhibit A-2 & A-4  |
| Structure Contour Map - Subsea Depth  | Exhibit A-3  |
| Cross Section Location Map (Including wells)  | Exhibit A-4  |
| Cross Section (Including Landing Zone)  | Exhibit A-4  |
| Additional Information  |  |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. |  |
| Printed Name: (Attorney or Party Representative):   | Ernest L. Pagilla  |
| Signed Name: (Attorney or Party Representative):  |  |
| Date:   | 10/7/2021  |

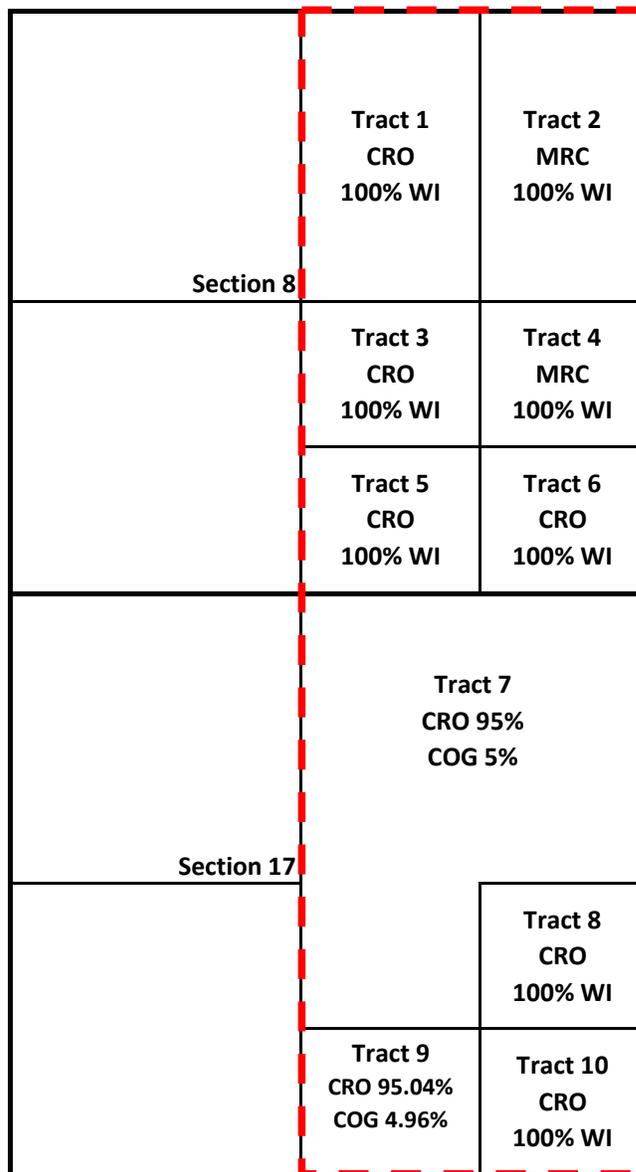
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**EXHIBIT A-3**  
**Rambo 1H Well**  
**Proposed Wolfcamp Spacing Unit**  
**Lea County, New Mexico**  
**E/2 Section 8 & 17 - T19S - R35E**

|  |                    |
|--|--------------------|
| Catena Resources Operating, LLC (CRO)                        | 79.38%             |
| <b><u>Additional Party to be Pooled</u></b>                  | <b><u>WI</u></b>   |
| MRC Permian Company (MRC)                                    | 18.75%             |
| <b><u>Uncommitted Parties Pooled under Order R-21890</u></b> |                    |
| COG Operating, LLC (COG)                                     | 1.88%              |
| <b><u>Total</u></b>  | <b><u>100%</u></b> |



|         |                     |          |                          |
|---------|---------------------|----------|--------------------------|
| Tract 1 | W/2 NE/4 Section 8  | Tract 6  | SE/4 SE/4 Sec. 8         |
| Tract 2 | E/2 NE/4 Section 8  | Tract 7  | NE/4 & NW/4 SE/4 Sec. 17 |
| Tract 3 | NW/4 SE/4 Section 8 | Tract 8  | NE/4 SE/4 Sec. 17        |
| Tract 4 | NE/4 SE/4 Section 8 | Tract 9  | SW/4 SE/4 Sec. 17        |
| Tract 5 | SW/4 SE/4 Section 8 | Tract 10 | SE/4 SE/4 Sec. 17        |

Catena Resources Operating LLC  
 Case No. 22808  
 Exhibit A-3



April 15, 2021  
Via Certified Mail

Re: **Rambo 193517 1H Well Proposal**  
**Wolfcamp Formation**  
**E2 of Section 17 T19S, 35E, and Section 8, T19S, R35E**  
**Lea County, New Mexico**

**Rambo 193517 2H Well Proposal**  
**Bone Springs Formation**  
**E2 of Section 17 T19S, 35E, and Section 8, T19S, R35E**  
**Lea County, New Mexico**

Ladies and Gentlemen,

Catena Resources Operating, LLC ("Catena") as Operator hereby proposes to drill the following wells to a depth sufficient to test the Wolfcamp and Bone Spring formations:

| <b>Well Name</b>                         | <b>SHL<br/>Sec. 20</b>  | <b>BHL<br/>Sec. 8</b>   | <b>Spacing Unit<br/>640 Acres</b>                         | <b>Target<br/>TVD</b> | <b>Estimated<br/>TMD</b> |
|--|-------------------------|-------------------------|---|-----------------------|--------------------------|
| Rambo 193517 1H<br>Wolfcamp Formation    | FNL: 190'<br>FEL: 1290' | FNL: 100'<br>FEL: 1200' | E/2 of Section 17, T19S, 35E and<br>Section 8, T19S, R35E | 9,989'                | 20,698'                  |
| Rambo 193517 2H<br>Bone Spring Formation | FNL: 190'<br>FEL: 1390' | FNL: 100'<br>FEL: 1200' | E/2 of Section 17, T19S, 35E and<br>Section 8, T19S, R35E | 9,740'                | 20,444'                  |

*These proposed locations and target depths are subject to change depending on any surface or subsurface concerns encountered.*

Regarding the above, enclosed for your further handling are our AFE's dated April 16, 2020 for the proposed wells. The AFE's represent an estimate of the costs that will be incurred to drill and complete the wells, but those electing to participate in the wells are responsible for their proportionate share of the actual costs incurred. In the event you elect to participate in the proposed wells, please execute the enclosed AFE's and return to me. We are happy to furnish you with a proposed Joint Operating Agreement upon request. Please respond within 30 days of receiving this notice. If you do not wish to participate, Catena proposes to acquire your interest via oil and gas lease subject to due diligence and title verification satisfactory to Catena.

Should you have any questions regarding the above, please email me at [stan@percussionpetroleum.com](mailto:stan@percussionpetroleum.com) or call me at (346) 200-7894.

Sincerely,

Percussion Petroleum Operating, LLC

Stan Mitchell  
 Sr. Landman

Catena Resources Operating LLC  
 Case No. 22808  
 Exhibit A-4



**Catena Resources Operating, LLC – Rambo E2 1H Discussion Timeline**

**MRC Permian Company**

Catena Resources Operating, LLC sent original well proposals on April 15<sup>th</sup>, 2021. At such time, beginning on or around September, 2020, Catena and MRC Permian Company engaged in discussions regarding the proposed wells. Catena and MRC executed a Trade Agreement covering these wells November 17<sup>th</sup> 2021 which was terminated without closing on April 28<sup>th</sup>, 2022. Catena and MRC are in ongoing discussions on the well proposal.

Catena Resources Operating LLC  
Case No. 22808  
Exhibit A-5

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

APPLICATION OF CATENA RESOURCES  
OPERATING LLC TO POOL ADDITIONAL  
INTEREST OWNERS UNDER ORDER NO.  
R-21890, LEA COUNTY, NEW MEXICO

CASE NO. 22808  
ORDER NO. R-21890 (Re-Open)

SELF-AFFIRMED STATEMENT  
OF DANA S. HARDY

1. I am attorney in fact and authorized representative of Catena Resources Operating, LLC, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1**.

3. The above-referenced Application was provided, along with the Notice Letter, to the recipients listed in **Exhibit C-2**. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received and includes copies of the certified mail green cards and white slips as supporting documentation for proof of mailing.

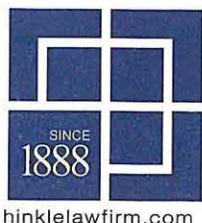
4. On May 10, 2022, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit C-3**.

5. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 4 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy  
Dana S. Hardy

May 31, 2022  
Date

Catena Resources Operating LLC  
Case No. 22808  
Exhibit B



**HINKLE SHANOR LLP**  
 ATTORNEYS AT LAW  
 PO BOX 2068  
 SANTA FE, NEW MEXICO 87504  
 505-982-4554 (FAX) 505-982-8623

WRITER:  
 Dana S. Hardy, Partner  
 dhardy@hinklelawfirm.com

May 4, 2022

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO ALL PARTIES ENTITLED TO NOTICE**

**Re: Case No. 22808 - Application of Catena Resources Operating, LLC to Pool Additional Interest Owners Under Order No. R-21890, Lea County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **June 2, 2022** beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. 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.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be filed at the Division's Santa Fe office or submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/>) 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.

Please do not hesitate to contact me if you have any questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

Catena Resources Operating LLC  
 Case No. 22808  
 Exhibit B-1

PO BOX 10  
 ROSWELL, NEW MEXICO 88202  
 575-622-6510  
 (FAX) 575-623-9332

PO BOX 2068  
 SANTA FE, NEW MEXICO 87504  
 505-982-4554  
 (FAX) 505-982-8623

7601 JEFFERSON ST NE • SUITE 180  
 ALBUQUERQUE, NEW MEXICO 87109  
 505-858-8320  
 (FAX) 505-858-8321

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

APPLICATION OF CATENA RESOURCES  
OPERATING, LLC TO POOL ADDITIONAL  
INTEREST OWNERS UNDER ORDER No. R-21890,  
LEA COUNTY, NEW MEXICO

Case No. 22808

NOTICE LETTERS

| <b>PARTY</b>  | <b>NOTICE LETTER SENT</b> | <b>RETURN RECEIVED</b> |
|---|---------------------------|------------------------|
| MRC Permian Company, c/o<br>Matador Resources Company<br>Attention: David Johns<br>5400 LBJ Freeway, Suite 1500<br>Dallas, TX 75240 | 05/04/22                  | 05/17/22               |

Catena Resources Operating LLC  
Case No. 22808  
Exhibit B-2



# 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).

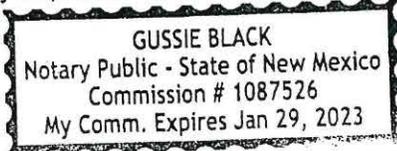
Beginning with the issue dated  
May 10, 2022  
and ending with the issue dated  
May 10, 2022.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
10th day of May 2022.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2023

(Seal) 

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 NOTICE May 10, 2022

This is to notify all interested parties, including MRC Permian Company, c/o Matador Resources Company; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Catena Resources Operating, LLC (Case No. 22808). 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 June 2, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant seeks to pool additional mineral interest owners under the terms of Division Order No. R-21890. The Division entered Order No. R-21890 in Case No. 21460, which pooled all uncommitted interests in the Scharb; Wolfcamp (Pool Code 55640) within the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 17 & 8, Township 19 South, Range 35 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the **Rambo 193517 1H** well ("Well") and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional mineral interest owners in the Unit who should be pooled under the terms of the Order. The Well is located approximately 18 miles west of Hobbs, New Mexico.  
#37637

02107475

GILBERT  
HINKLE, SHANOR LLP  
PO BOX 2068  
SANTA FE, NM 87504

00266663

Catena Resources Operating LLC  
Case No. 22808  
Exhibit B-3