

McClure, Dean, EMNRD

From: Caitlin Hart <chart@catenares.com>
Sent: Monday, August 3, 2020 7:58 AM
To: McClure, Dean, EMNRD
Subject: [EXT] FW: surface commingle for the South Showbar CTB

Dean, Please see below on the statement from our VP of Production. Will this suffice for what you are needing? If not, Please let me know!

Thank you again sir.



Caitlin Hart
Lease Analyst
18402 Hwy 281 N, Suite 258
San Antonio, TX 78259
Direct: (210) 907-7181

From: Anthony Riggan <ariggan@catenares.com>
Sent: Friday, July 31, 2020 7:25 AM
To: Caitlin Hart <chart@catenares.com>; Michael Bowers <MBowers@catenares.com>
Subject: RE: surface commingle for the South Showbar CTB

The actual value of the gas will not change due to the existing gas contracts. The focus of this project is to generate more revenue by combining gas streams thereby increasing the amount of gas volume through one gas sales meter rather than two. By doing so, this will eliminate any low volume penalties (~\$600) that we receive. An added benefit is reducing the facility footprint through the removal of the gas meter.

Thanks,

Anthony Riggan, P.E.
Direct: (210) 428-6144
Cell: (713) 702-6817
This email is not intended to constitute a binding offer, acceptance or contract.

From: Caitlin Hart <chart@catenares.com>
Sent: Thursday, July 30, 2020 10:29 AM
To: Anthony Riggan <ariggan@catenares.com>; Michael Bowers <MBowers@catenares.com>
Subject: FW: surface commingle for the South Showbar CTB

Gentlemen,

How do I go about showing the OCD confirmation that commingling both of the Shoebar wells will not devalue the gas?

See below.



Caitlin Hart

Lease Analyst

18402 Hwy 281 N, Suite 258

San Antonio, TX 78259

Direct: (210) 907-7181

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>

Sent: Thursday, July 30, 2020 10:24 AM

To: Caitlin Hart <chart@catenares.com>

Subject: RE: surface commingle for the South Showbar CTB

Hello Caitlin,

Additionally, I am needing confirmation that the value of the gas from either well will not be decreased by the proposed commingling. Typically this would be due to one well producing much more H₂S or CO₂, but is dependent upon your sales contract. Please submit a statement regarding this.

Dean McClure

Petroleum Specialist A, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 476-3471

From: Caitlin Hart <chart@catenares.com>

Sent: Thursday, July 30, 2020 7:15 AM

To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>

Subject: [EXT] RE: surface commingle for the South Showbar CTB

Good morning Dean!

Yes sir, you are correct. We are going to be commingling gas if approved!



Caitlin Hart

Lease Analyst

18402 Hwy 281 N, Suite 258

San Antonio, TX 78259

Direct: (210) 907-7181

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>

Sent: Wednesday, July 29, 2020 6:16 PM

To: Caitlin Hart <chart@catenares.com>

Subject: surface commingle for the South Showbar CTB

Hello Caitlin,

I am reviewing the surface commingle application (PLC-689) for the South Showbar CTB operated by Catena Resources Operating, LLC.

Based off the application and facility diagram, it looks like the State 2 well does not produce oil and as such there will be no oil being commingled. Is this correct?

Dean McClure
Petroleum Specialist A, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 476-3471