

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

APPLICATION OF CATENA RESOURCES
OPERATING, LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 20664

CATENA RESOURCES OPERATING, LLC'S PREHEARING STATEMENT

CATENA RESOURCES OPERATING, LLC ("Catena") provides this Prehearing Statement in the above-referenced proceeding, as required by the rules of the Division.

APPEARANCES

APPLICANT

CATENA RESOURCES
OPERATING, LLC

APPLICANTS' ATTORNEYS

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OPPONENT

None known at this time

OPPONENT'S ATTORNEYS

N/A

STATEMENT OF THE CASE

In Case No. 20664, Applicant seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (Scharb-Bone Spring: 55610) underlying a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 W/2 of Sections 9 and 16, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced HSU to the proposed **Cable 19-35-9 State 2H Well**, to be horizontally drilled from an approximate surface hole location 192' FSL & 1153'

FWL of Section 4 to a bottom hole location 100' FSL & 1650' FWL of Section 16. The completed interval and first and last take points for the **Cable 19-35-9 State 2H** well will meet statewide setback requirements for horizontal wells.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 19 miles southwest of Hobbs, New Mexico.

At the time of filing this Prehearing Statement, this application is unopposed.

PROPOSED EVIDENCE

<u>CATENA'S WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Robert Swann, Landman	20 minutes	5-7
Vince Smith, Geologist	15 minutes	2-3

PROCEDURAL MATTERS

None known at this time. If this application is unopposed, it will be presented by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: /s/Sharon T. Shaheen

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