

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

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO**

CASE NO. 20298

MOTION FOR CONTINUANCE

Catena Resources Operating, LLC (“Catena”) hereby moves for a continuance of the above-captioned matter to a special docket date. In support of this motion, Catena states the following:

1. This case is set for the March 7, 2019 docket. Catena has entered an appearance in this case through counsel.

2. Catena seeks to continue these proceedings for the reasons set forth below in paragraphs 3-6. In addition, as of February 28, 2019, there is a pressing need for a continuance in this case because Catena’s lead counsel is unavailable on March 7, 2019 as a result of unforeseen circumstances.

3. In the above-captioned case, Mewbourne Oil Company (“Mewbourne”) has filed a forced pooling application concerning acreage and depths in which Catena has working interests. Catena also owns the entirety of Section 33, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico directly to the south of Mewbourne’s proposed unit, and has an agreement in place to secure the entirety of Section 16, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico, directly to the north of Mewbourne’s proposed unit.

4. With regards to the subject acreage, Catena has proposed to Mewbourne its plan to develop the reserves in the entire W/2 all four sections, i.e., the W/2 of Sections 16, 21, 28 and 33,

using two-mile lateral wells. Despite Catena's best efforts at good faith pre-filing negotiation, Mewbourne has neither been receptive to Catena's development plan nor has Mewbourne taken affirmative steps to secure Catena's participation in their proposed unit other than to furnish a JOA. Instead of engaging with Catena in good faith, Mewbourne filed an Application for hearing. Accordingly, Catena will timely file its own Application for hearing on March 5, 2019 to request an April 4, 2019 hearing date.

5. Catena's development plan is superior to that of Mewbourne's, in that it more efficiently drains the W/2 of Sections 16, 21, 28 and 33 using fewer wells and causing less surface disturbance. Catena has already received the support of an interest owner (and New Mexico operator of note) *for* its development plan and *against* Mewbourne's, and will present evidence of the same at hearing. Importantly, due to its ownership in Section 33 and its pending ownership in Section 16, Catena owns more—on a percentage basis—in its proposed units than does Mewbourne in its own proposed unit. Further, Catena's plan is in the interests of conservation and the prevention of waste, while Mewbourne's is not: if Mewbourne is allowed to operate and drill as proposed, it will effectively strand Catena's mineral interests in Sections 16 and 33, both of which are state acreage.

6. Finally, Catena requests a continuance of Mewbourne's application on the ground that Mewbourne has failed to engage in good faith negotiation and may be attempting to railroad Catena into hearing on Mewbourne's application before Catena's application can be heard. The instant case should neither be heard nor taken under advisement by the Division until Catena's competing—and superior—development plan has been heard.

7. Counsel for Mewbourne was contacted via phone and e-mail on February 28, 2019, and at that time, Mewbourne's counsel advised that he would confer with Mewbourne regarding a

continuance. Catena's counsel attempted to contact Mewbourne's counsel via phone and e-mail again on March 1, 2019. At the time of filing this Motion, no response from Mewbourne was received.

8. Catena requests that this Motion for Continuance be heard by the Division during a pre-hearing conference on March 4, 2019.

WHEREFORE, for the foregoing reasons, Catena requests a continuance of these matters to the next available docket.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on March 1, 2019:

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/s/ Kaitlyn A. Luck
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