

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

**APPLICATION OF
CATENA RESOURCES OPERATING LLC
TO AMEND ORDER R-21492
LEA COUNTY, NEW MEXICO**

**CASE NO. 22718
ORDER NO. R-21492-B**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on May 5, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. On October 13, 2020, OCD issued Order R-21492 to Catena Resources Operating, LLC (“Operator”) to pool the uncommitted oil and gas interests within the specified spacing unit.
2. On December 7, 2021, OCD issued Order R-21492-A to Operator to extend the time to commence drilling operations until October 13, 2022.
3. Subsequent to the above Orders, Operator has revised its development plans and seeks to amend Order R-21492 unit so that it consists of a 320-acre more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Sections 6 and 7, Township 19 South, Range 35 East in Lea County (“Unit”).
4. Subsequent to the issuance of the above Orders, Operator discovered previously unidentified interest owner(s) in the Unit.
5. On March 30, 2022, Operator filed an application (“Application”) with OCD to amend Order R-21492.
6. Operator provided evidence that it gave notice of the Application and the hearing to the previously unidentified interest owner(s) and the previously pooled interest owners.
7. 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

8. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
9. Operator is the owner of an oil and gas working interest within the Unit.

10. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
11. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
12. Operator has the right to drill the Well to a common source of supply at the depth and location in the Unit described in Exhibit A.
13. This Order affords to each owner of an uncommitted interest the opportunity to produce its just and equitable share of the oil or gas in the pool.

ORDER

14. The uncommitted interests in the Unit are pooled as set forth in Exhibit A attached to this Order which replaces Exhibit A attached to Order R-21492
15. The Unit shall be dedicated to the Well(s) set forth in Exhibit A
16. Operator is designated as operator of the Unit and the Well(s).
17. Order R-21492, as previously amended, shall remain in full force and effect.
18. 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: 8/29/2022

Exhibit A

Received by OCD: 5/3/2022 10:08:46 AM

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case No.:	22718
Hearing Date:	5/5/2022
Applicant	Catena Resources Operating, LLC
Designated Operator & OGRID	328449
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Catena Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	COG Operating LLC
Well Family	Mariner
Formation/Pool	
Formation Name(s) or Vertical Extent	Wolfcamp
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Wolfcamp Formation
Pool Name and Pool Code	Scharb; Wolfcamp (55640)
Well Location Setback Rules	Standard
Spacing Unit Size	320
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	W/2 E/2 of Sections 6 and 7, Township 19 South, Range 35 East, Lea County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Mariner W2E2 06 07 W1 State Com 1H (API # pending) SHL: 422' FNL & 2329' FEL, Unit B, Section 18, T19S-R35E BHL: 100' FNL & 1980' FEL, Unit B, Section 6, T19S-R35E Completion Target: Wolfcamp (Approx. 10,870' TVD) Well Orientation: South to North
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,500.00
Production Supervision/Month \$	\$850.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, C-2

Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gross Isopach	Exhibit B-5
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-2
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	5/3/2022