

RECEIVED: <u>7/23/20</u>	REVIEWER: <u>DM</u>	TYPE: <u>PLC</u>	APP NO: <u>pDM2020951064</u>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** Catena Resources Operating, LLC **OGRID Number:** 328449  
**Well Name:** Multiple wells, see attached **API:** Multiple wells, see attached  
**Pool:** Multiple, see attached **Pool Code:** Multiple, see attached

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location - Spacing Unit - Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]  
 [ I ] Commingling - Storage - Measurement  
 DHC     CTB     PLC     PC     OLS     OLM  
 [ II ] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.  
 A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

ROBERT SWANN

Print or Type Name

Signature

7/22/2020  
Date

210-775-6993  
Phone Number

RSWANNE@CATENARES.COM  
e-mail Address



July 26, 2020

Dean McClure  
State of New Mexico  
Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87505

RE: Request for Central Tank Battery  
30-025-34495; South Shoebar 15 State #1; G-15-17S-35E 1980FNL 1850FEL; Pool 96580  
Midway; Upper Pennsylvania, West  
30-025-34702; South Shoebar 15 State #2; H-15-17S-35E 1650FNL 800FEL; Pool 86800  
Vacuum; Atoka-Morrow, North (Gas)  
Lea County, New Mexico

Dear Mr. McClure:

Please find attached the OCD Form C-107B application for a Central Tank Battery for the  
aforementioned wells.

The working interest, royalty interest, and overriding royalty interest owners are not identical;  
notifications have been sent via certified mail (see attached).

If there are any questions or areas that may require further clarification please feel free to contact  
me at (210) 907-7181.

Regards,

A handwritten signature in black ink that reads "Caitlin Hart". The signature is written in a cursive, flowing style.

Caitlin Hart  
Lease Analyst  
Catena Resources  
[chart@catenares.com](mailto:chart@catenares.com)  
210-907-7181

18402 US Hwy 281 N  
Suite 258  
San Antonio, TX 78259



210-319-7557  
[www.catenares.com](http://www.catenares.com)  
[info@catenares.com](mailto:info@catenares.com)

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Catena Resources Operating, LLC  
OPERATOR ADDRESS: 18402 US Hwy 281 N, Suite 258, San Antonio, Texas 78259  
APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingling)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  Yes  No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Midway; Upper Pennsylvania, West (96580)	Attached			
Vacuum; Atoka-Morrow, North (Gas) (86800)	Attached			

- (2) Are any wells producing at top allowables?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.  
(4) Measurement type:  Metering  Other (Specify)  
(5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Pool Name and Code. Airstrip; Bone Spring 960  
(2) Is all production from same source of supply?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
(4) Measurement type:  Metering  Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Complete Sections A and E. see attached

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (1) Is all production from same source of supply?  Yes  No  
(2) Include proof of notice to all interest owners. See attached

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location. See attached  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. See attached  
(3) Lease Names, Lease and Well Numbers, and API Numbers. See attached

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: *Anthony Riggan* TITLE: VP OF PRODUCTION DATE: 7/22/2020  
TYPE OR PRINT NAME ANTHONY RIGGAN TELEPHONE NO.: 210-428 6144  
E-MAIL ADDRESS: ARIGGAN@CATENARES.COM

# Application for a Central Tank Battery

## Proposal for the South Shoebar CTB

Catena Resources Operating, LLC is requesting approval for a Central Tank Battery for the following wells:

### State Lease:

Well Name	Location	API#	Pool 96580	BOPD	MCFPD	BTU
South Shoebar 15 State #1	G-15-17S-35E	30-025-34495	Midway; Upper Pennsylvania, West	0	0	1426

### State Lease:

Well Name	Location	API#	Pool 86800	BOPD	MCFPD	BTU
South Shoebar 15 State #2	H-15-17S-35E	30-025-34702	Vacuum; Atoka-Morrow, North (Gas)	0	23.4	1303

Communization Agreements have been submitted for each well.

Attached is a map that displays the federal leases and well locations.

### Oil & Gas Metering:

The central tank battery is located on the South Shoebar 15 State #1 pad, located in Sec. G-15-17S-35E in Lea County, New Mexico.

The South Shoebar 15 State #1 production will flow into a separator, the gas will be sent to the sales line. Remaining liquids will be sent to the Heater Treater where gas will be sent to the sales line, Oil will be sent to the oil storage tanks, and PW will be sent to the PW Tanks. Gas from the Separator and the Heater Treater will be sent through the Final Sales Meter (M# 711302-00). Oil and Produced Water from the South Shoebar 15 State #1 will be measured in the tanks after separation. Gas from the South Shoebar 15 State #2 will pass through a separator and then through an allocation/test meter and then go into the South Shoebar CTB sales line upstream of the Final Sales Meter (M# 711302-00).

The South Shoebar CTB has three oil tanks and 2 water tanks.

Oil production will be allocated based on the tank measurements for the South Shoebar 15 State #1. Gas production for these wells will be allocated on a daily basis using the South Shoebar 15 State #2 gas allocation/test meter and the subtraction method from the Final Sales Meter, (Final Sales meter volumes, less South Shoebar 15 State #2 allocation/test meter volume, equals South Shoebar 15 State #1 volume). The gas production from each well will commingle and flow through the Final Sales Meter (M# 711302-00). These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

### Process and Flow Descriptions:

The flow of produced fluids is shown in detail on the enclosed facility diagram, along with a description of each vessel and map which shows the lease boundaries, communization agreement boundaries, and location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-152. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

Signed: \_\_\_\_\_



Printed Name: ANTHONY RIGGAN  
Title: VPOF PRODUCTION  
Date: 7/22/2020

TRICT I  
 1. Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised February 10, 1994  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

TRICT II  
 1. Drawer DD, Artesia, NM 88211-0710

OIL CONSERVATION DIVISION  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

AMENDED REPORT

TRICT III  
 00 Rio Brazos Rd., Aztec, NM 87410

TRICT IV  
 1. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30025 34495	Pool Code 96580	Pool Name Midway Upper Penn West
Property Code 23634	Property Name SOUTH SHOEBAR 15 STATE	Well Number 1
OGRID No. 166111	Operator Name CONCHO RESOURCES INC.	Elevation 3950

Surface Location

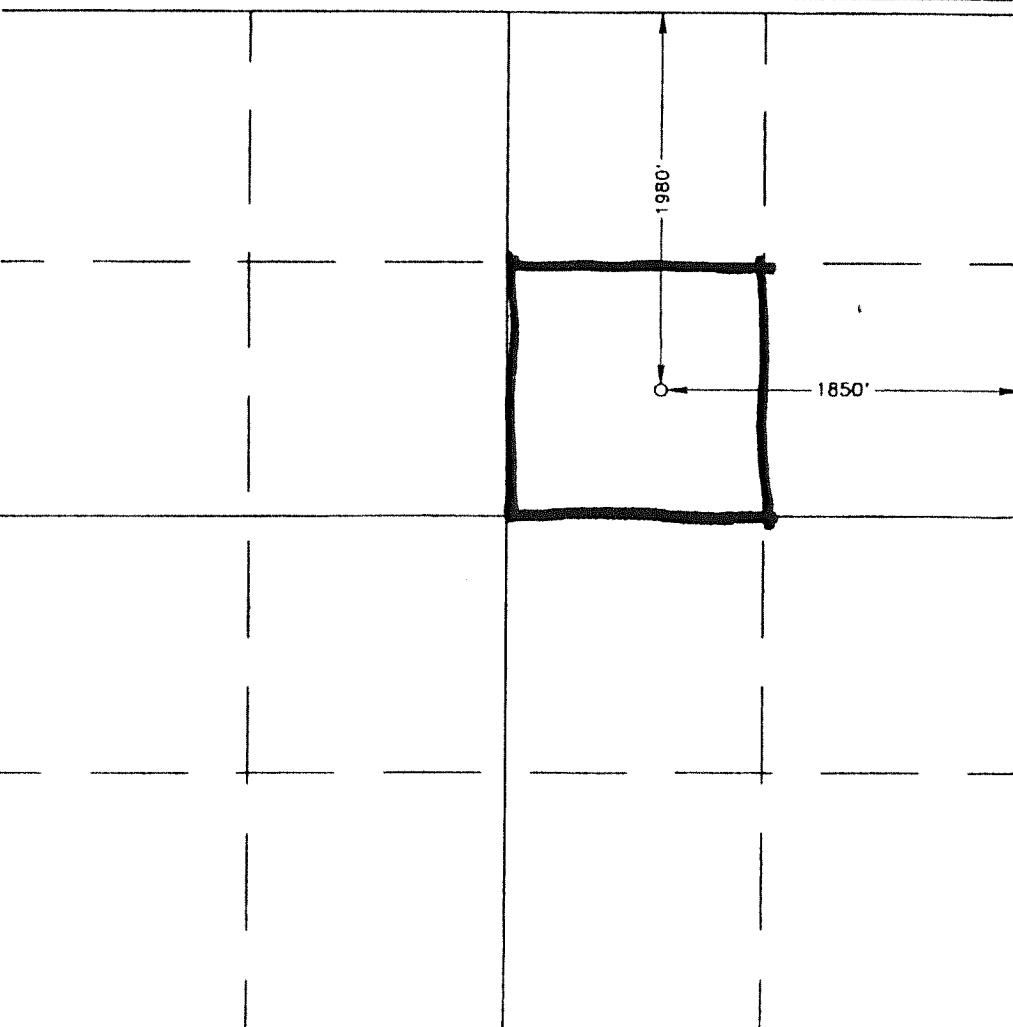
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	15	17 S	35 E		1980	NORTH	1850	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**OPERATOR CERTIFICATION**

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

*TERRI STATHEM*  
 Signature  
 TERRI STATHEM  
 Printed Name  
 PRODUCTION ANALYST  
 Title  
 9/8/99  
 Date

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

AUGUST 28, 1998

Date Surveyed \_\_\_\_\_ DMCC  
 Signature & Seal  
 Professional Surveyor  
 RONALD J. EIDSON  
 NEW MEXICO  
 3239  
 8-28-98  
 88-11-1195

Certificate No. RONALD J. EIDSON 3239  
 GARY EIBSON 1264  
 MACON McDONALD 121F

DISTRICT I  
 1. Box 1960, Hobbs, NM 88241-1900

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised February 10, 1994  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

DISTRICT II  
 1. Drawer DD, Artesia, NM 86211-0712

OIL CONSERVATION DIVISION  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

DISTRICT III  
 00 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
 1. Box 2088, Santa Fe, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30025-34702	Pool Code 86800	Pool Name VACUUM ATOKA-MORROW NORTH (GAS)
Property Code 23634	Property Name SOUTH SHOEBAR 15 STATE	Well Number 2
OGRD No. 166111	Operator Name CONCHO RESOURCES INC.	Elevation 3943

Surface Location

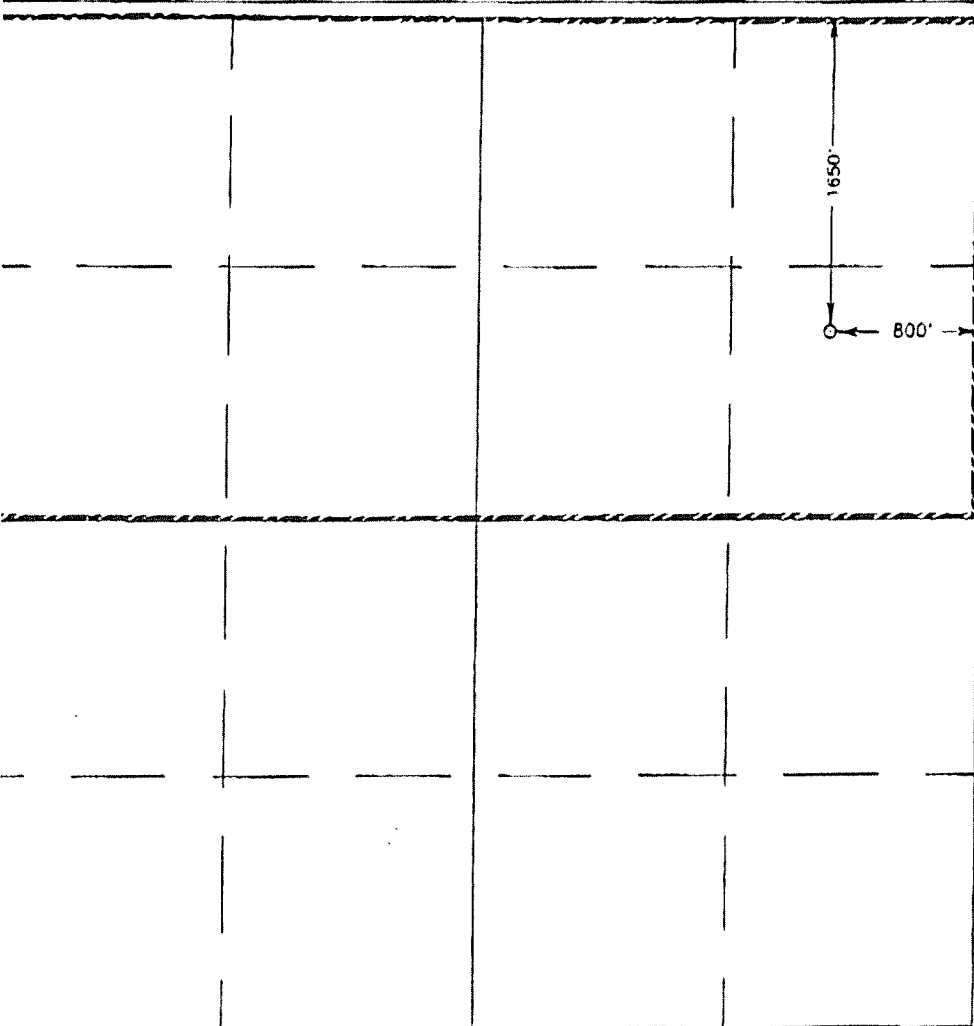
Lot or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	15	17 S	35 E		1650	NORTH	800	EAST	LEA

Bottom Hole Location If Different From Surface

Lot or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Joe T. Jarica*  
 Signature

Joe T. Jarica  
 Printed Name  
 Agent

09/15/99  
 Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

SEPTEMBER 7, 1999

Date Surveyed \_\_\_\_\_ DMCC

Signature \_\_\_\_\_  
 Professional Surveyor

*Edison*  
 Registered Professional Surveyor  
 8239  
 89-1-071  
 09-10-99

Edison  
 Certificate No. \_\_\_\_\_  
 12641  
 12185



July 20, 2020

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

Interest Owners

RE: Request for Commingle of North Vacuum Atoka-Morrow  
South Shoebar 15 State Com 1H -Sec 15, T17S, R35E  
API #30-025-34495  
South Shoebar 15 State Com 2H -Sec 15, T17S, R35E  
API #30-025-34702  
Pool 86880 North Vacuum Atoka-Morrow  
Lease Numbers: A0-1320

All:

This is to advise you that Catena Resources Operating, LLC, is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval to permit a Commingling of production for the above listed wells.

A copy of our application submitted to the division is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Please contact the undersigned at (210) 907-7181 should you have any questions or need anything further.

Sincerely,

Catena Resources Operating, LLC

A handwritten signature in black ink, appearing to read 'Caitlin Hart', with a stylized flourish at the end.

Caitlin Hart  
Lease Analyst  
chart@catenares.com

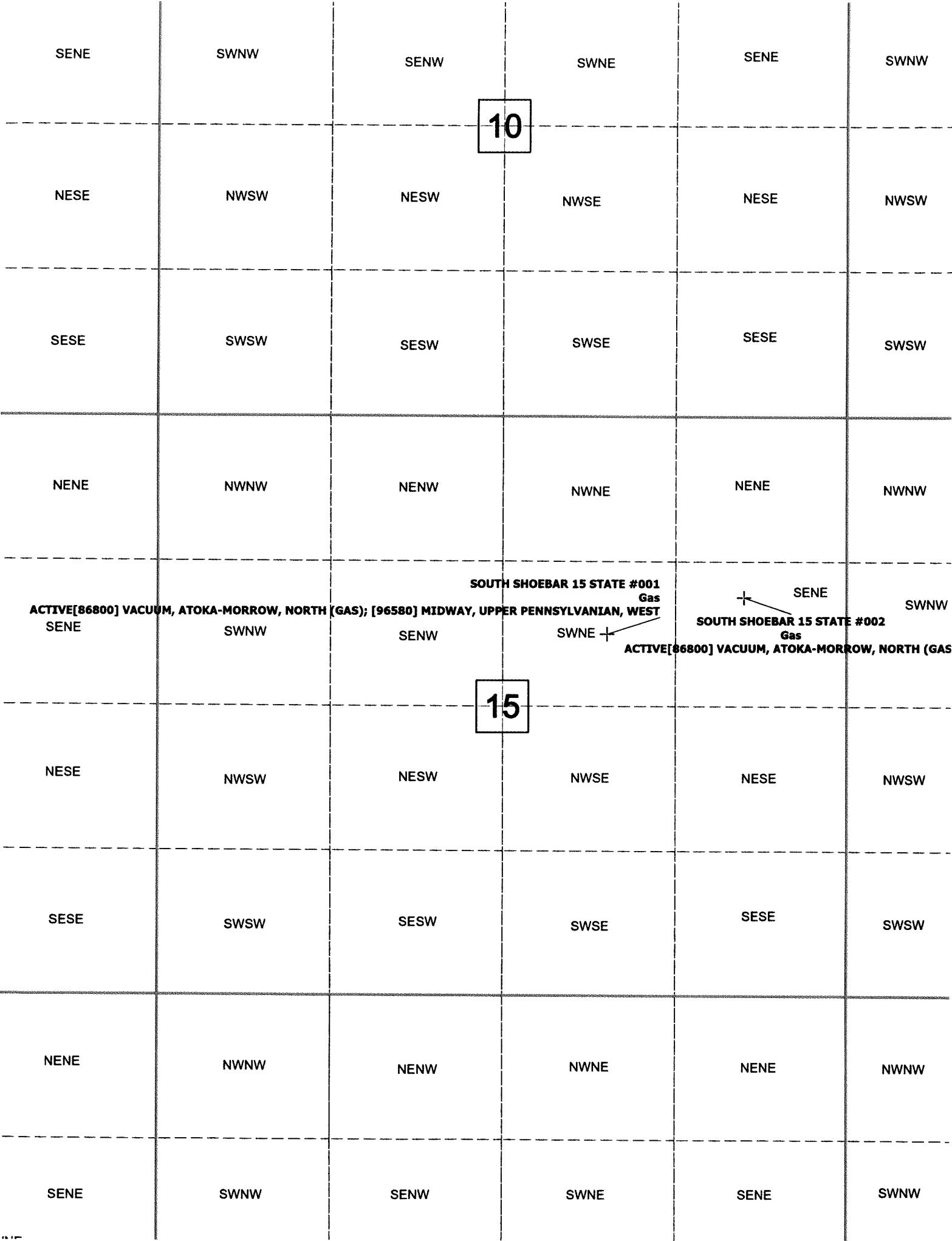


## E-Certified Mailing List

Commingle Mailing Reference: **South Shoebar 15 State 1 & 2**

<b>Respondent Name/ Address</b>	<b>E Certified Mailing Number:</b>
<b>Apline Oil Company Inc</b> PO Box 2217 Midland, TX 79702	<b>9414711899563274867951</b>
<b>Boyd/McWilliams Energy Group Inc</b> 550 W Texas Ave Suite 310 Midland, TX 79701	<b>9414711899563274889830</b>
<b>David McWilliams</b> 550 W Texas Ave Suite 310 Midland, TX 79701	<b>9414711899563274887409</b>
<b>Louis J Mazzullo</b> 5650 W Quincy Ave Unit 19 Denver, CO 80235	<b>9414711899563274817451</b>
<b>JM Cox Resources LP</b> PO Box 2217 Midland TX 79702	<b>9414711899563274817451</b>
<b>Penroc Oil Corporation</b> PO Box 2769 Hobbs, NM 88241	<b>9414711899563274845836</b>
<b>State of New Mexico</b> 310 Old Santa Fe Trail Santa Fe, NM 87501	<b>9414711899563274879237</b>
<b>XTO Energy INC</b> PO BOX 840791 Dallas, TX 75284	<b>9414711899563274878988</b>





10

15

ACTIVE[86800] VACUUM, ATOKA-MORROW, NORTH (GAS); [96580] MIDWAY, UPPER PENNSYLVANIAN, WEST

SOUTH SHOEBAR 15 STATE #001  
Gas

SOUTH SHOEBAR 15 STATE #002  
Gas

ACTIVE[86800] VACUUM, ATOKA-MORROW, NORTH (GAS)

SENE

SWNW

SENW

SWNE

SENE

SWNW

NESE

NWSW

NESW

NWSE

NESE

NWSW

SESE

SWSW

SESW

SWSE

SESE

SWSW

NENE

NWNW

NENW

NWNE

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NWNE

NENE

NWNW

SENE

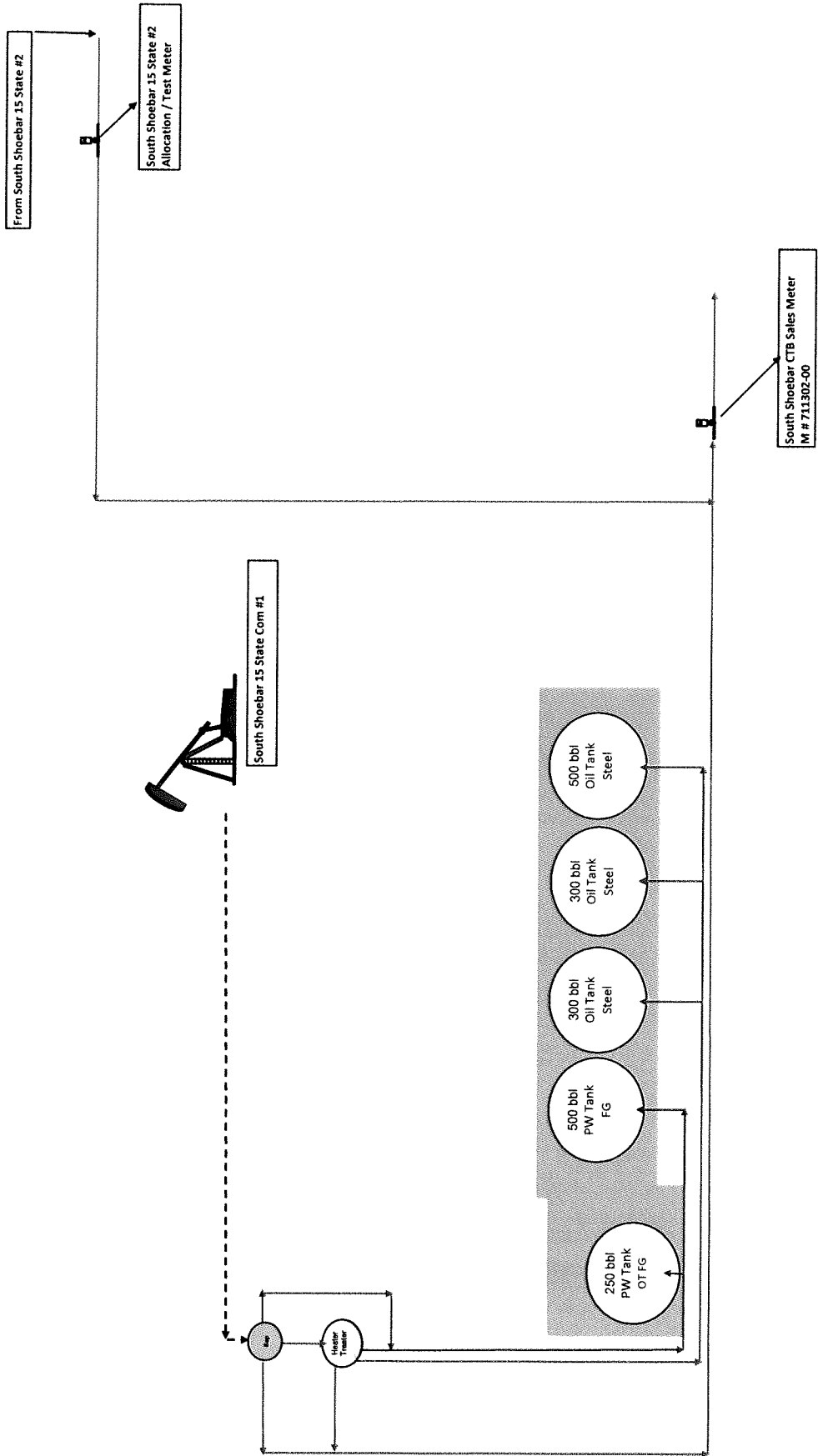
SWNW

SENW

SWNE

SENE

SWNW



<b>API:</b> 30-025-34495				
<b>Well Name:</b> South Shoebar 15 State #1				
<b>Location:</b> G-15-17S-35E 1980FNL 1850FEL				
<b>Pool Name:</b> Midway; Upper Pennsylvania, West				
Date	Oil (bpd)	Gravity	Gas (MCF/d)	BTU
June 2020	0	0	0	1425.82

<b>API:</b> 30-025-34702				
<b>Well Name:</b> South Shoebar 15 State #2				
<b>Location:</b> H-15-17S-35E 1650FNL 800FEL				
<b>Pool Name:</b> Vacuum; Atoka-Morrow, North (Gas)				
Date	Oil (bpd)	Gravity	Gas (MCF/d)	BTU
June 2020	0		23.4	1303.13