

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING MARCH 5, 2020**

**CASE NO. 21091**

*OMEGA 183533 1H*

*LEA COUNTY, NEW MEXICO*



**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. 21091**

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# COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 21091</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date March 5, 2020</b>	
Applicant	Catena Resources Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	<b>328127</b>
Applicant's Counsel:	Holland & Hart LLP
	Application of Catena Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Marathon Oil Company
Well Family	Omega 183533 #1H Well
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Names and Pool Codes:	Scharb; Bone Spring Pool (Pool Code 55610)
Well Location Setback Rules:	Statewide horizontal well rules
Spacing Unit Size:	280-acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	280-acres, more or less
Building Blocks:	quarter sections
Orientation:	North-South
Description: TRS/County	W/2 NW/4 of Section 33, the W/2 W/2 of Section 28, and the SW/4 SW/4 of Section 21, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	EXHIBIT C
<b>Well(s)</b>	

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

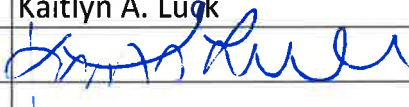
**Exhibit No. A**

Submitted by: **Catena Resources Operating, LLC**

Hearing Date: March 05, 2020

Case No. 21091

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	EXHIBIT C-1 (C-102 plat)
Well #1	<p><b>Omega 183533 #1H Well</b> (API No. 30-025-pending):  SHL: 2450 FSL and 330 FWL (Unit L) of Section 33, Township 18 South, Range 35 East,  BHL: 1220 FSL and 330 FWL (Unit M) of Section 21, Township 18 South, Range 35 East,</p> <p>Completion Target: Bone Spring at approx. 10240 feet TVD  Well Orientation: South to North  Completion Location expected to be: Standard</p>
Horizontal Well First and Last Take Points	EXHIBIT C-2 (C-102 plat)
Completion Target (Formation, TVD and MD)	See above and Exhibit C
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	EXHIBIT C-2
Tract List (including lease numbers and owners)	EXHIBIT C-2
Pooled Parties (including ownership type)	EXHIBIT C-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	EXHIBIT C-3
List of Interest Owners (ie Exhibit A of JOA)	EXHIBIT C-2
Chronology of Contact with Non-Joined Working Interests	EXHIBIT C-4
Overhead Rates In Proposal Letter	EXHIBIT C
Cost Estimate to Drill and Complete	EXHIBIT C-3
Cost Estimate to Equip Well	EXHIBIT C-3
Cost Estimate for Production Facilities	EXHIBIT C-3
<b>Geology</b>	
Summary (including special considerations)	Exhibit D

Spacing Unit Schematic	Exhibit D, D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D, D-1, D-2
HSU Cross Section	Exhibit D, D-2, D-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	EXHIBIT C-1
Tracts	EXHIBIT C-2
Summary of Interests, Unit Recapitulation (Tracts)	EXHIBIT C-2
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-2
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
<b>Additional Information</b>	
<p><b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b></p>	
<b>Printed Name</b> (Attorney or Party Representative):	Kaitlyn A. Luck
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	4-Mar-20

**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. 21091

**APPLICATION**

Catena Resources Operating, LLC ("Applicant") (OGRID No. 328127), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 280-acre, more or less, horizontal spacing unit comprised of the W/2 NW/4 of Section 33, the W/2 W/2 of Section 28 and the SW/4 SW/4 of Section 21, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. In support Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Omega 183533 1H Well** to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 33 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 21. The completed interval for the proposed well will comply with the statewide setback requirements for horizontal oil wells.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. B**  
Submitted by: **Catena Resources Operating, LLC**  
Hearing Date: March 05, 2020  
Case No. 21091

4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed well and horizontal spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 5, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial well thereon;
- B. Designating Applicant as operator of the horizontal spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

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**ATTORNEYS FOR  
CATENA RESOURCES OPERATING, LLC**



**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. 21091**

**AFFIDAVIT OF ROBERT SWANN**

Robert Swann, of lawful age and being first duly sworn, declares as follows:

1. My name is Robert Swann, and I am the Land Manager with Catena Resources Operating, LLC (“Catena”).
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Catena in this case and familiar with the status of the lands in the subject area.
4. None of the mineral owners to be pooled in this case have expressed opposition to this case proceeding by affidavit, so I do not expect any opposition at the hearing.
5. Catena is seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 280-acre, more or less, horizontal spacing unit comprised of the W/2 NW/4 of Section 33, the W/2 W/2 of Section 28, and the SW/4 SW/4 of Section 21, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico.
6. This standard horizontal spacing until will be dedicated to the proposed initial **Omega 183533 #1H Well** (API No. 30-25-pending) to be horizontally drilled from a surface

**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

**Exhibit No. C**

Submitted by: **Catena Resources Operating, LLC**

Hearing Date: March 05, 2020

Case No. 21091

location in the NW/4 SW/4 (Unit L) of Section 33 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 21.

7. The completed interval of the **Omega 183533 #1H Well** will comply with the statewide setback requirements for horizontal oil wells.

8. **Catena Exhibit C-1** is the draft Form C-102 for the well reflecting that the well is located in the Scharb; Bone Spring Pool (Pool Code 55610).

9. **Catena Exhibit C-2** identifies the tracts of land comprising the proposed horizontal well spacing unit, which includes fee lands only, and identifies the ownership interests by tract.

10. Catena has highlighted on **Exhibit C-2** the working interest owners that remain to be pooled in this proceeding. Catena also seeks to pool the overriding royalty interest owners and royalty interest owners identified on **Exhibit C-2**.

11. No ownership depth severances or unleased mineral interests exist within the proposed spacing unit.

12. **Catena Exhibit C-3** contains an example of the well proposal letters and AFEs provided to the working interest owners Catena is seeking to pool.

13. In addition to submitting these letters, Catena has undertaken good faith efforts to reach agreement with the interest owners that it is seeks to pool. **Catena Exhibit C-4** contains a chronology of the contacts with the working interest owners that Catena seeks to pool. If Catena reaches an agreement with any of the proposed pool parties before the Division enters any order, I will let the Division know that Catena is no longer seeking to pool that party.

14. The costs reflected on each AFE are consistent with what Catena has incurred for drilling similar horizontal wells in the subject formation in this area.

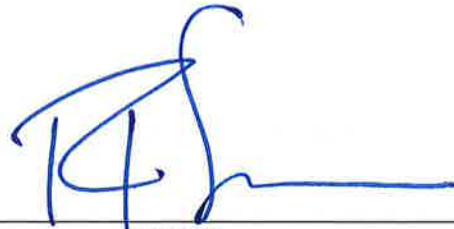
15. Catena seeks approved overhead and administrative rates for the proposed wells at \$8,000 per month while drilling and \$800 per month while producing. These rates are consistent with what other operators are charging in this area for similar wells.

16. Catena has conducted a diligent search of county records and computer databases to locate addresses for the mineral owners it seeks to pool. I have provided the law firm of Holland & Hart LLP with these addresses and instructed that notice of this hearing be provided to the interest owners Catena seeks to pool.

17. Catena respectfully requests an expedited order in this case due to a lease expiration on **June 1, 2020** within the tracts to be pooled.

18. **Catena Exhibits C-1 through C-4** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.



ROBERT SWANN

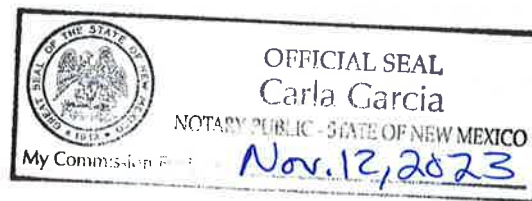
STATE OF TEXAS                    )  
  )  
COUNTY OF BEXAR                )

SUBSCRIBED and SWORN to before me this 4<sup>th</sup> day of March 2020 by  
Robert Swann.

  
NOTARY PUBLIC

My Commission Expires:

Nov. 12, 2023



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name					
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>OMEGA 183533</b>						<sup>6</sup> Well Number <b>1H</b>	
<sup>7</sup> OGRID No. <b>328127</b>		<sup>8</sup> Operator Name <b>CATENA RESOURCES OPERATING, LLC</b>						<sup>9</sup> Elevation <b>3906.1</b>	
<sup>10</sup> Surface Location									
UL or lot no. <b>L</b>	Section <b>33</b>	Township <b>18 S</b>	Range <b>35 E</b>	Lot Idn	Feet from the <b>2450</b>	North/South line <b>SOUTH</b>	Feet from the <b>330</b>	East/West line <b>WEST</b>	County <b>LEA</b>
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. <b>M</b>	Section <b>21</b>	Township <b>18 S</b>	Range <b>35 E</b>	Lot Idn	Feet from the <b>1220</b>	North/South line <b>SOUTH</b>	Feet from the <b>330</b>	East/West line <b>WEST</b>	County <b>LEA</b>
<sup>12</sup> Dedicated Acres		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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.

<p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLAT EBN COORDINATES ARE 1910 (NAD83). BASES OF BEARINGS AND DISTANCES USED ARE NEW MEXICO STATE PLAT EAST COORDINATES ADJUSTED TO THE SURFACE. VERTICAL DATUM NAUGHTON.</p> <p>W/4 CORNER SEC. 21 LAT. = 32.7331840°N LONG. = 103.4710297°W</p> <p>NW CORNER SEC. 28 LAT. = 32.7259116°N LONG. = 103.4710210°W</p> <p>W/4 CORNER SEC. 28 LAT. = 32.7186579°N LONG. = 103.4710118°W</p> <p>NW CORNER SEC. 33 LAT. = 32.7114020°N LONG. = 103.4710014°W</p> <p>FIRST TAKE POINT 2640' PNL, 330' FWL LAT. = 32.7044187°N LONG. = 103.4699192°W</p> <p>SW CORNER SEC. 33 LAT. = 32.6988941°N LONG. = 103.4709812°W</p> <p>OMEGA 183533 1H ELEV. = 3906.1' LAT. = 32.7036246°N (NAD83) LONG. = 103.4699181°W</p> <p>S/4 CORNER SEC. 33 LAT. = 32.6966782°N LONG. = 103.4624021°W</p> <p>NE CORNER SEC. 28 LAT. = 32.7258793°N LONG. = 103.4538485°W</p> <p>E/4 CORNER SEC. 28 LAT. = 32.7186075°N LONG. = 103.4538254°W</p> <p>NE CORNER SEC. 33 LAT. = 32.7113302°N LONG. = 103.4537991°W</p> <p>E/4 CORNER SEC. 33 LAT. = 32.7040675°N LONG. = 103.4537939°W</p> <p>SE CORNER SEC. 33 LAT. = 32.6986617°N LONG. = 103.4538230°W</p>		<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JANUARY 29, 2020</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number: FIDELITY PROFESSIONAL SURVEYORS, PLS 12797</p> <p>SURVEY NO. 7854C</p>
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**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. C1**  
Submitted by: **Catena Resources Operating, LLC**  
Hearing Date: March 05, 2020  
Case No. 21091

Intent ☐ As Drilled ☐

API #		
Operator Name:	Property Name:	Well Number
<b>CATENA RESOURCES OPERATING, LLC</b>	<b>OMEGA 183533</b>	<b>1H</b>

Kick Off Point (KOP)

UL <b>L</b>	Section <b>33</b>	Township <b>18S</b>	Range <b>35E</b>	Lot	Feet <b>2450</b>	From N/S <b>SOUTH</b>	Feet <b>330</b>	From E/W <b>WEST</b>	County <b>LEA</b>
Latitude <b>32.7036246</b>					Longitude <b>103.4699181</b>				NAD <b>83</b>

First Take Point (FTP)

UL <b>E</b>	Section <b>33</b>	Township <b>18S</b>	Range <b>35E</b>	Lot	Feet <b>2540</b>	From N/S <b>NORTH</b>	Feet <b>330</b>	From E/W <b>WEST</b>	County <b>LEA</b>
Latitude <b>32.7044187</b>					Longitude <b>103.4699192</b>				NAD <b>83</b>

Last Take Point (LTP)

UL <b>M</b>	Section <b>21</b>	Township <b>18S</b>	Range <b>35E</b>	Lot	Feet <b>1220</b>	From N/S <b>SOUTH</b>	Feet <b>330</b>	From E/W <b>WEST</b>	County <b>LEA</b>
Latitude <b>32.7292627</b>					Longitude <b>103.4699521</b>				NAD <b>83</b>

Is this well the defining well for the Horizontal Spacing Unit? ☐

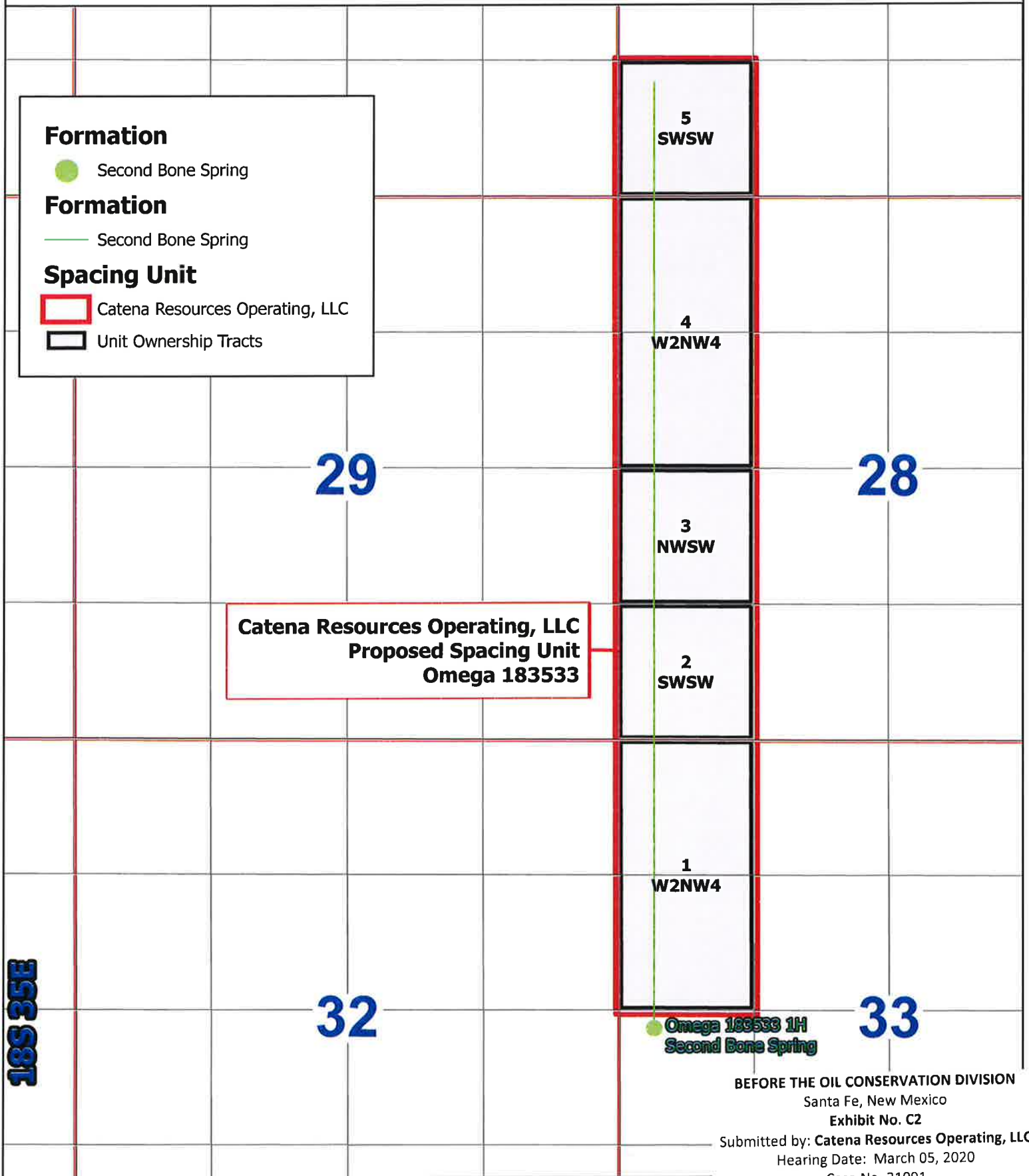
Is this well an infill well? ☐

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

**COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**  
**Catena Resources Operating, LLC, Omega 183533 1H Well**  
**280 Acres Spacing Unit - W2NW4 of Section 33, W2W2 Section 28 and SW4SW4**  
**Section 28, 18S-35E**  
**CASE NO. 21091**





**Omega 1H W2W2 Sections 33, 28, & 21 of 18535E**  
**Bone Springs 1.75M - 280 Ac Unit**

Omega 1H W2W2 Sections 33, 28, & 21 of 1853SE											
Bone Springs 1.75M - 280 Ac Unit											
Unit Tract	Tract Description:			Section	Lease		Royalty	Lease Net Revenue Interest	Tract Acres	Tract Acreage Allocation	ORRI
1	80.0 acres being the W2NW Section 33, Township 18 South, Range 35 East, Lea Co., NM			33	VB 1359-002	W2NW	0.1875	0.8125	80.0000	28.57142857%	#####
2	40.0 acres being the SWSW Section 28, Township 18 South, Range 35 East, Lea Co., NM			28	VC 0425-001	SWSW	0.2	0.8000	40.0000	14.28571429%	#####
3	40.0 acres being the NWSW Section 28, Township 18 South, Range 35 East, Lea Co., NM			28	OXY MIN	NWSW	0.25	0.7500	40.0000	14.28571429%	#####
4	80.0 acres being the W2NE of Section 28, Township 19 South, Range 35 East, Lea Co., NM			28	AO 4096-023	W2NW	0.125	0.8750	80.0000	28.57142857%	#####
5	40.0 acres being the SWSW Section 21, Township 18 South, Range 35 East, Lea Co., NM			21	VC 0679-000	SWSW	0.2	0.8000	40.0000	14.28571429%	#####
OMEGA 1H33E 1H W2W2 SECTION 33, 1983E SECTION 28, 1853E & SECTION 21, 1853E											
Net Revenue Interest											
Unit Tract	Section	Tract	Lease	Tract Gross	Working Interest in Lease	Mineral Interest covered by Lease	Lease Net Revenue Interest	Tract Acreage Allocation	Non-Rounded Total Tract Net Revenue Interest	Rounded Total Tract Net Revenue Interest	Type of Interest
Catena Resources Operating, LLC	1	33	W2NW	VB 1359-002	80.00	93.7500000%	100.0000000%	0.81250000	28.571429%	0.20089286	
Catena Resources Operating, LLC	2	28	SWSW	VC 0425-001	40.00	75.0000000%	100.0000000%	0.80000000	14.285714%	0.08571429	
Catena Resources Operating, LLC	3	28	NWSW	OXY MIN	40.00	75.0000000%	100.0000000%	0.75000000	14.285714%	0.08035714	
Catena Resources Operating, LLC	5	21	SWSW	VC 0679-000	40.00	75.0000000%	100.0000000%	0.80000000	14.285714%	0.08571429	
McElvain	1	33	W2NW	VB 1359-002	80.00	6.2500000%	100.0000000%	0.81250000	28.571429%	0.01339286	
McElvain	2	28	SWSW	VC 0425-001	40.00	25.0000000%	100.0000000%	0.80000000	14.285714%	0.02857143	
McElvain	3	28	NWSW	OXY MIN	40.00	25.0000000%	100.0000000%	0.75000000	14.285714%	0.02678571	
McElvain	5	21	SWSW	VC 0679-000	40.00	25.0000000%	100.0000000%	0.80000000	14.285714%	0.02857143	
Marathon	4	28	W2NW	AO 4096-023	80.00	100.0000000%	100.0000000%	0.87500000	28.571429%	0.25000000	
Total Net Revenue Interests											
Overriding Royalty Interests											
Unit Tract	Section	Tract	Lease	Tract Gross	Overriding Royalty Interest	Minerals Proportionate Reduction	Working Interest Burdened	Tract Acreage Allocation	Non-Rounded Total Tract Overriding Royalty Interest	Rounded Total Tract Overriding Royalty Interest	Type of Interest
Thomaston LLC	1	33	W2NW	VB 1359-002	80.00	6.2500000%	100.0000000%	28.571429%	0.017857143	1.785714%	ORI
Total Overriding Royalty Interests											
Royalty Interest											
Unit Tract	Section	Tract	Lease	Tract Gross	Mineral Interest covered by Lease	Lease Royalty		Tract Acreage Allocation	Non-Rounded Total Tract Landowner Royalty Interest	Rounded Total Tract Landowner Royalty Interest	Type of Interest
OXY Minerals	2	28	SWSW	VC 0425-001	40.00	#####	0.200000	14.285714%	0.028571429	2.857143%	RI
The State of New Mexico	1	33	W2NW	VB 1359-002	80.00	#####	0.187500	28.571429%	0.053571429		
The State of New Mexico	3	28	NWSW	OXY MIN	40.00	#####	0.250000	14.285714%	0.035714286		
The State of New Mexico	4	28	W2NW	AO 4096-023	80.00	#####	0.125000	28.571429%	0.035714286		
The State of New Mexico	5	21	SWSW	VC 0679-000	40.00	#####	0.200000	14.285714%	0.028571429	15.357143%	RI
Total Royalty Interest											
Totals											
Working Interest											
Unit Tract	Section	Tract	Lease	Tract Gross	Working Interest in Lease	Mineral Interest covered by Lease	NMA	Tract Acreage Allocation	Non-Rounded Total Tract Working Interest	Rounded Total Tract Working Interest	Type of Interest
Catena Resources Operating, LLC	1	33	W2NW	VB 1359-002	80.00	93.7500000%	100.0000000%	28.571429%	0.26785714		
Catena Resources Operating, LLC	2	28	SWSW	VC 0425-001	40.00	75.0000000%	100.0000000%	14.285714%	0.10714286		
Catena Resources Operating, LLC	3	28	NWSW	OXY MIN	40.00	75.0000000%	100.0000000%	14.285714%	0.10714286		
Catena Resources Operating, LLC	5	21	SWSW	VC 0679-000	40.00	75.0000000%	100.0000000%	14.285714%	0.10714286		
McElvain	1	33	W2NW	VB 1359-002	80.00	6.2500000%	100.0000000%	28.571429%	0.01785714	58.928571%	WI



[illegible]



January 7, 2020

Via Certified Mail

Marathon Oil Company  
P.O. Box 2069  
Houston, TX 77252  
713-629-6600

Re: **Omega 183533 1H Well Proposal**  
**Bone Spring Formation**  
**W2NW4 of Section 33, W2W2 Section 28 and SWSW Section 21, T18S, R35E**  
**Lea County, New Mexico**

Ladies and Gentlemen,

Catena Resources Operating, LLC ("Catena") as Operator hereby proposes to drill the following well to a depth sufficient to test the Bone Spring formation:

Well Name	SHL	BHL	Spacing Unit	Target TVD	Estimated TMD
Omega 183533 1H	FSL: 2450' Sec. 33 FWL: 330' Sec. 33	FSL: 1120' Sec. 21 FWL: 330' Sec. 21	W2NW4-Sec. 33, W2W2 Sec. 28 & SWSW-Sec. 21 of 18S-35E	10,240'	19,631'

*These proposed locations and target depths are subject to change depending on any surface or subsurface concerns encountered.*

Regarding the above, enclosed for your further handling are our AFE's dated November 16, 2019 for the proposed wells. The AFE's represent an estimate of the costs that will be incurred to drill and complete the wells, but those electing to participate in the wells are responsible for their proportionate share of the actual costs incurred. In the event you elect to participate in the proposed wells, please execute the enclosed AFE's and return to me. We are happy to furnish you with a proposed Joint Operating Agreement upon request, should you be inclined to elect to participate. Please respond within 30 days of receiving this notice. If you do not wish to participate, Catena proposes to acquire your interest via term assignment subject to due diligence and title verification satisfactory to Catena.

Should you have any questions regarding the above, please email me at [rswann@catenares.com](mailto:rswann@catenares.com) or call me at (210) 775-6993.

Sincerely,

Catena Resources Operating, LLC

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



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C3

Submitted by: **Catena Resources Operating, LLC**  
Hearing Date: March 05, 2020  
Case No. 21091

Robert Swann

Land Manager



## WELL COST ESTIMATE

AFE NO.

WELL NAME: Omega 183533  
FIELD NAME:  
LOCATION: 1.75 sec. lateral,  
COUNTY / ST: Lea County, NM  
OBJECTIVE: Bone Spring

DATE: 11/16/2019  
START DATE:  
COMPLETE DATE:  
ORIGINAL: X  
SUPPLEMENT:

INTANGIBLE COSTS	ACCT CODE	DRILLING - 310XX	ACCT CODE	COMPLETION - 320XX	ACCT CODE	FACILITIES - 330XX	TOTAL
Legal Fees / Title Opinion	31001	\$50,000	32001	\$0	33001	\$0	\$50,000
Surveys / Staking / Permits / Bonds / Regulatory	31002	\$25,700	32002	\$0	33002	\$0	\$25,700
ROW / Surface Damages	31003	\$60,000	32003	\$0		\$0	\$60,000
Roads & Location / Reserve Pit - Construction	31004	\$90,000	32004	\$0		\$0	\$90,000
Roads & Location / Reserve Pit - Reclamation	31005		32005	\$0		\$0	\$0
Fence Pond	31006		32006	\$0		\$0	\$0
Gate Guard	31007		32007	\$0		\$0	\$0
Mouse / Rathole / Conductor	31008	\$19,000		\$0		\$0	\$19,000
Mobilization / Demobilization	31009	\$230,675	32008	\$0		\$0	\$230,675
Drilling - Daywork	31010	\$475,000		\$0		\$0	\$475,000
Drilling - Footage	31011			\$0		\$0	\$0
Drilling - Turnkey	31012			\$0		\$0	\$0
Completion / Snubbing / Workover Unit	32013		32009	\$40,000		\$0	\$40,000
Trailer House / Communications	31014	\$43,572	32010	\$24,200		\$0	\$67,772
Drill Bits	31015	\$85,000	32011	\$0		\$0	\$85,000
Directional Equipment / Gyro Surveys	31016	\$225,000	32012	\$0		\$0	\$225,000
Downhole Tool / Stabilization Rental	31017	\$57,875	32013	\$34,000		\$0	\$91,875
Mud / Chemicals	31018	\$200,000	32014	\$601,500		\$0	\$801,500
Fuel / Power	31019	\$104,500	32015	\$471,500		\$0	\$576,000
Water Supply Well, equipment	31020	\$3,693	32016	\$0		\$0	\$0
Water / Water Hauling	31021		32017	\$816,550		\$0	\$816,550
Offsite Water & Cuttings Disposal	31022	\$243,856	32018	\$30,500		\$0	\$273,556
Transportation / Hauling	31023	\$31,000	32019	\$0	33009	\$15,000	\$46,000
Inspection / Tubular Testing	31024	\$55,654	32020	\$0		\$0	\$55,654
Laydown Machine / Casing Crew / Tongs	31025	\$58,245	32021	\$0		\$0	\$58,245
Cementing, Root Equipment & Services	31026	\$62,458	32022	\$0		\$0	\$62,458
Mud Logging	31027	\$35,343		\$0		\$0	\$35,343
Logging - Open Hole	31028		32023	\$0		\$0	\$0
Logging - Closed Hole	31029		32024	\$13,000		\$0	\$13,000
Coring & Analysis, Drill Stem Test	31030			\$0		\$0	\$0
Perforating	31031		32025	\$421,200		\$0	\$421,200
Wireline / Slickline Services	31032		32026	\$15,000		\$0	\$15,000
Equipment Rental	31033	\$149,500	32027	\$236,000		\$0	\$385,500
Pumping Services/Rental	31034		32028	\$21,000		\$0	\$21,000
Acidizing & Fracturing	31035		32029	\$2,175,000		\$0	\$2,175,000
Coil Tubing Unit	31036		32030	\$120,000		\$0	\$120,000
Flow Testing, Swabbing	31037		32031	\$95,875		\$0	\$95,875
Fishing / Side-track Services	31038		32032	\$0		\$0	\$0
Nipple Up / BOPE Testing	31039	\$5,400	32033	\$23,000		\$0	\$28,400
Overhead	31040	\$5,000	32034	\$15,000		\$0	\$20,000
Wellbore Consulting Services/Supervision	31041	\$169,801	32035	\$16,550	33003	\$20,000	\$333,811
Engineering / Geological / Lab Service Tracers and diagnostics	31042	\$25,000	32036	\$35,500		\$15,000	\$75,500
Roustabout / Contract Labor	31043	\$5,400	32037	\$0	33004	\$160,000	\$165,400
Welding Services	31044	\$5,120	32038	\$0		\$0	\$5,120
Insurance	31045	\$10,000	32039	\$0	33005	\$0	\$10,000
Miscellaneous	31046		32040	\$0	33006	\$0	\$0
P&A Costs	31047		32041	\$0		\$0	\$0
Safety / EH&S	31048		32042	\$16,610	33007	\$0	\$16,610
5.5% Contingency (8% Taxes on Casing included in casing cost)	31049	\$141,202	32043	\$311,200		\$10,000	\$462,002
NON-OP Drilling Intangible	31050		32044	\$0		\$0	\$0
Pipeline Installation / Interconnect	31051		32045	\$0	33008	\$0	\$0
<b>TOTAL INTANGIBLE COSTS</b>		<b>\$2,708,524</b>		<b>\$5,665,385</b>		<b>\$220,500</b>	<b>\$8,594,409</b>

TANGIBLE COSTS	ACCT CODE	DRILLING - 311XX	ACCT CODE	COMPLETION - 321XX	ACCT CODE	FACILITIES - 331XX	TOTAL
Conductor	31101						
Surface Casing	31102	\$68,600					\$68,600
1st Intermediate Casing / Liner	31103	\$113,200					\$113,200
2nd Intermediate Casing / Liner	31104						\$0
Production Casing / Liner			32101	\$373,600			\$373,600
Casing Tie Back			32102				
Liner Hanger Assembly			32103				
Tubing			32104	\$58,500			\$58,500
Casing Equipment - OHMS / Etc.			32105	\$31,200			\$31,200
Wellhead Equipment	31105	\$24,750	32106	\$27,000			\$51,750
Pumping Unit / Prime Mover / Base			32107	\$0	33101	\$0	\$0
Rods / Pump Rods / Sinker Bars			32108	\$0	33102	\$0	\$0
Artificial Lift Other - Gas Lift			32109	\$14,000	33103	\$0	\$14,000
Wellhead Equipment Completions - Production Tree			32110	\$42,000	33104	\$0	\$42,000
Tanks / Tank Steps / Stairs			32111	\$0	33105	\$66,000	\$66,000
Gas Treating / Dehydration Equipment			32112	\$0	33106	\$0	\$0
Separation Equipment, Heater / Treater			32113	\$0	33107	\$68,200	\$68,200
Surface Pumps			32114	\$0	33108	\$3,000	\$3,000
Filters			32115	\$0	33109	\$0	\$0
Buildings			32116	\$0	33110	\$0	\$0
Interconnect Piping / Manifolds / Headers			32117	\$0	33111	\$60,000	\$60,000
Flowlines / Connections / Valves			32118	\$0	33112	\$46,500	\$46,500
Automation / Instruments / Controls / Analyzers			32119	\$0	33113	\$16,000	\$16,000
Electrical Equipment / Generators			32120	\$0	33114	\$52,000	\$52,000
Compressor & Related Equipment			32121	\$0	33115	\$0	\$0
Metering Equipment, LACT Unit			32122	\$0	33116	\$104,000	\$104,000
Chemical Equipment / Cathodic Protection			32123	\$0	33117	\$0	\$0
Subsurface Equipment - Packer, Plugs, TAC			32124	\$11,000	33118	\$0	\$11,000
Safety / EH&S Equipment			32125	\$4,000	33119	\$18,000	\$22,000
NON-OP Drilling Intangible			32126	\$0	33120	\$0	\$0
Transfer/SWD Pumps & Equipment			32127	\$0	33121	\$19,060	\$19,060
Flare / Combustor			32128	\$0	33122	\$16,000	\$16,000
Miscellaneous	31106		32129	\$24,410	33123	\$0	\$24,410
Contingency Costs	31107	\$11,690	32130	\$28,000	33124	\$0	\$39,690
<b>TOTAL TANGIBLE COSTS</b>		<b>\$220,240</b>		<b>\$613,670</b>		<b>\$469,220</b>	<b>\$1,303,130</b>
<b>TOTAL WELL COSTS</b>		<b>\$2,928,764</b>		<b>\$6,279,055</b>		<b>\$689,720</b>	<b>\$9,897,539</b>

Prepared by: Travis Salinas Title: Contract Engineer

This AFE is only an estimate. By returning this signed copy, you agree to pay your share of the actual costs incurred.

## Extra Expense Insurance

- ☐ I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.
- ☐ I elect to purchase my own well control insurance policy.

Other than as checked above, non-operating working interest owner hereby elects to be covered by Operator's well control insurance.

Joint Owner Interest: Amount:

Joint Owner Name: Signature:

**CATENA RESOURCES OPERATING – OMEGA WELL PROPOSAL**  
**CATENA – MARATHON DISCUSSION TIMELINE**  
**February 27, 2020**

- December 18, 2019: Catena mails Omega proposed well, and email to Steve Virant and Travis Prewett of Marathon regarding joinder.
- December 18, 2019: Email correspondence with Jessica Gorman of Marathon regarding negotiations.
- December 19, 2019: Email correspondence with Steve Virant of Marathon regarding ongoing negotiations.
- January 7, 2020: Catena mails single well proposal/notices for the Omega well, additional email correspondence with Marathon regarding negotiations.
- January 13, 2020: Email correspondence with Steve Virant regarding spacing unit and ongoing negotiations.
- January 22, 2020: Continued email correspondence with Marathon.
- February 10, 2020: Telephone conference with Travis Prewett of Marathon regarding spacing unit and negotiations.
- February 11, 2020: Email to Marathon regarding Omega spacing unit.
- February 25, 2020: Follow up email to Marathon regarding Omega spacing unit.
- February 27: Ongoing email negotiations with Marathon.

**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. 21091**

**AFFIDAVIT OF VINCE SMITH**

Vince Smith, of lawful age and being first duly sworn, declares as follows:

1. My name is Vince Smith, and I work for Catena Resources Operating, LLC (“Catena”) as the Vice President of Geoscience.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Catena in this case, and I have conducted a geologic study of the Bone Spring formation underlying the subject acreage.
4. **Catena Exhibit D-1** is a structure map for the Top of the Second Bone Spring Sand interval that reflects the surrounding area in Lea County in relation to the spacing unit in this case in Sections 21, 28, and 33. The **Omega 183533 #1H Well** is depicted with a dashed line, and I have identified the first take point and the bottom hole location for the well. Existing producing wells in the First, Second, and Third Bone Spring intervals and the Wolfcamp A interval are also shown on this map. This structure map shows that the formation is gently dipping to the south-southwest in this area. I do not observe any other faulting, pinch outs, or geologic impediments to developing the targeted interval with horizontal wells.

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. D**  
Submitted by: **Catena Resources Operating, LLC**  
Hearing Date: March 05, 2020  
Case No. 21091

5. **Catena Exhibit D-2** identifies the four wells penetrating the targeted interval that I used to construct a stratigraphic cross-section from A to A'. I utilized these well logs because they penetrate the targeted interval, are of good quality, and have been subjected to a petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the area.

6. **Catena Exhibit D-3** is a stratigraphic cross section using the representative wells depicted on Exhibit D-2. It contains a gamma ray, resistivity, porosity, and calculated mineralogy curves. The landing zone for the **Omega 183533 #1H Well** is labeled on the left side of the exhibit with a grey arrow. The cross-section demonstrates that the targeted interval extends across the proposed spacing unit.

7. In my opinion, the standup orientation of the well is the preferred orientation for horizontal well development in the targeted interval in this area. This standup orientation will efficiently and effectively develop the subject acreage.

8. Based on my geologic study, the targeted interval underlying the subject area is suitable for development by horizontal wells and the tracts comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbores.

9. In my opinion, the granting of Catena's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

10. **Catena Exhibits D-1** through **D-3** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Vince Smith  
VINCE SMITH

STATE OF TEXAS           )  
  )  
COUNTY OF BEXAR       )

SUBSCRIBED and SWORN to before me this 4th day of March 2020 by Vince Smith.

Caity May Hart  
NOTARY PUBLIC

My Commission Expires:

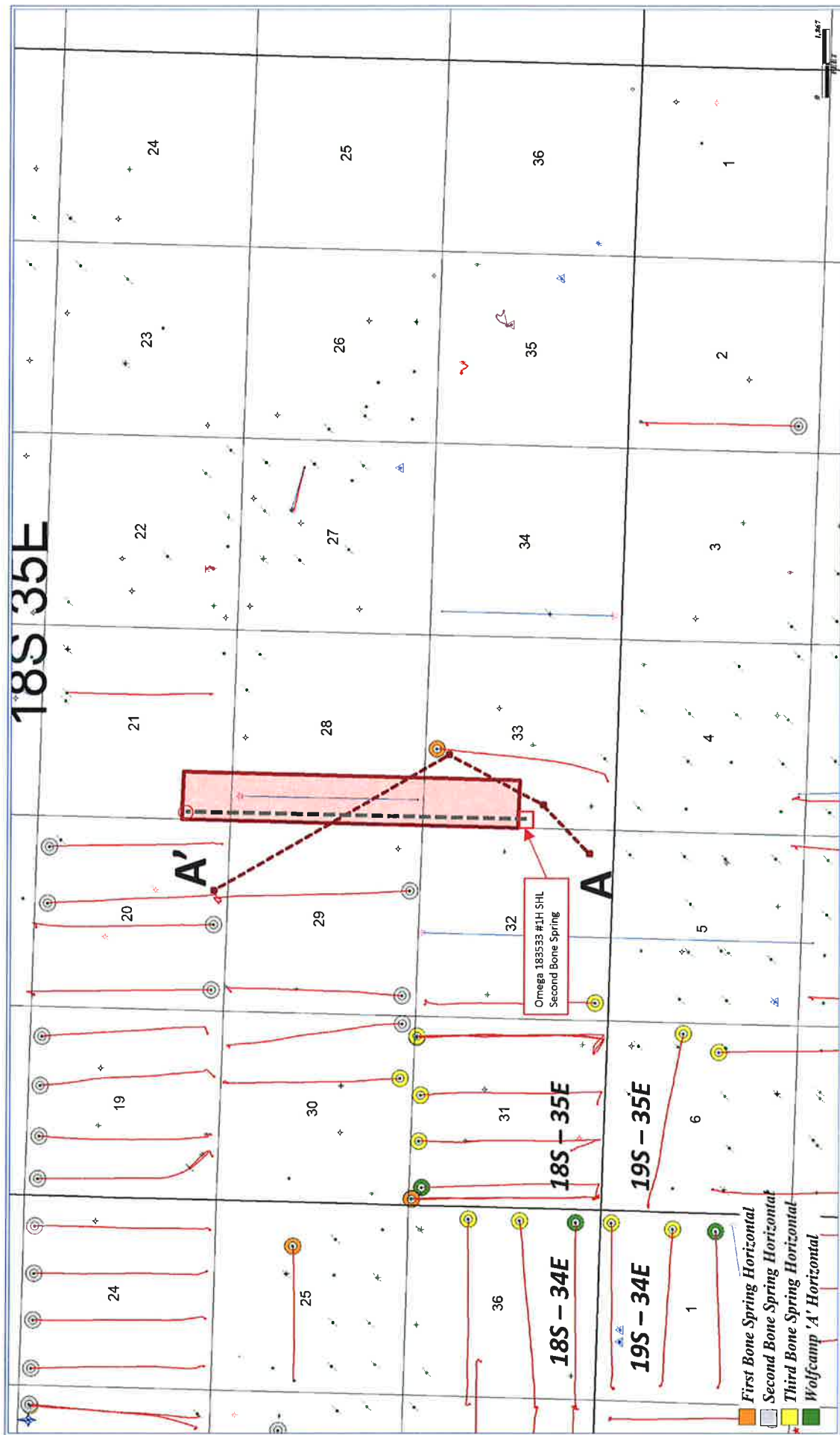
12/05/2023





# Omega 183533 #1H

Locator Map



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

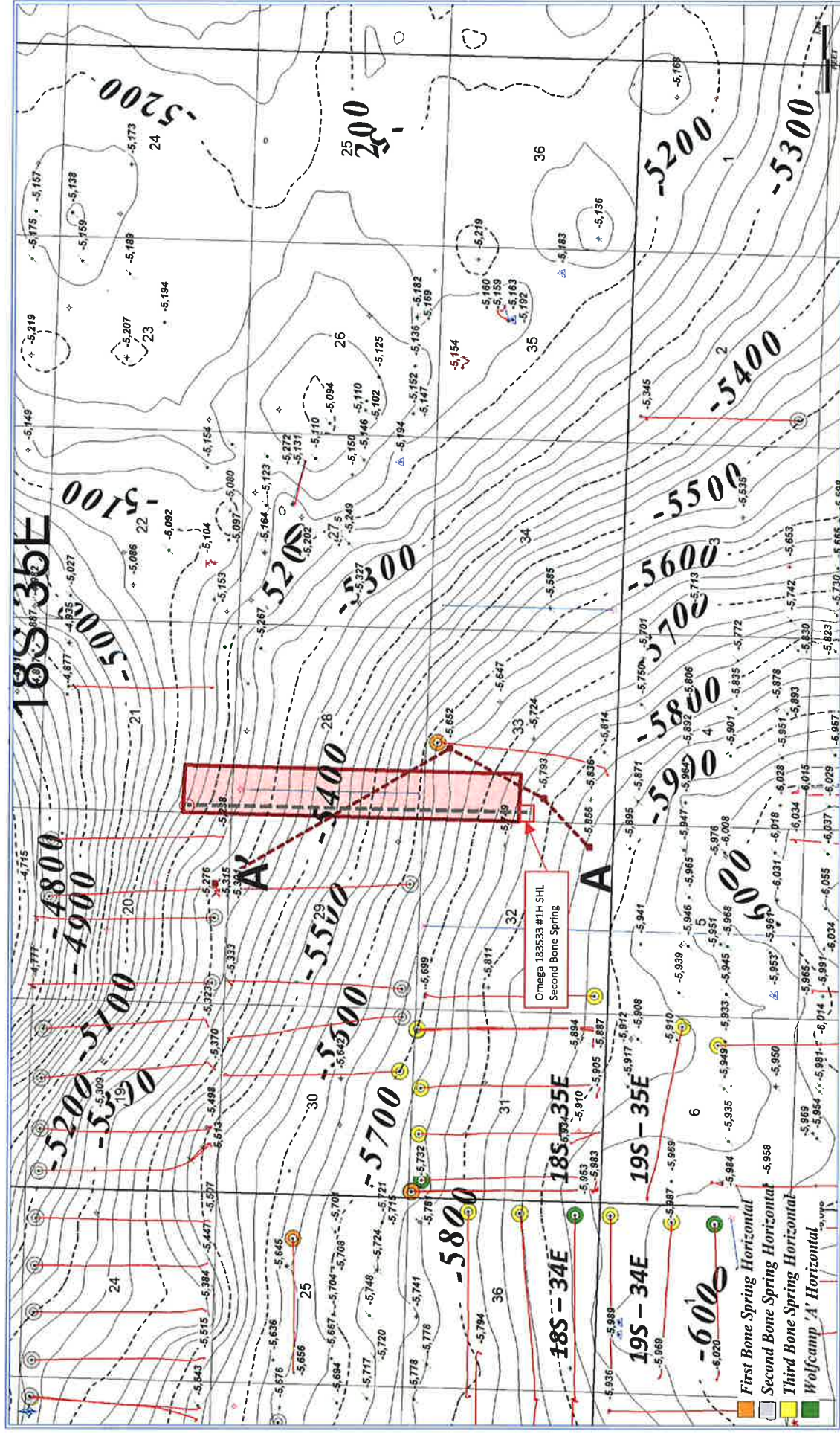
Exhibit No. D1

Submitted by: Catena Resources Operating, LLC

Hearing Date: March 05, 2020

Case No. 21091

## Subsea Structure



**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

Exhibit No. D2

Submitted by: Catena Resources Operating, LLC

Hearing Date: March 05, 2020

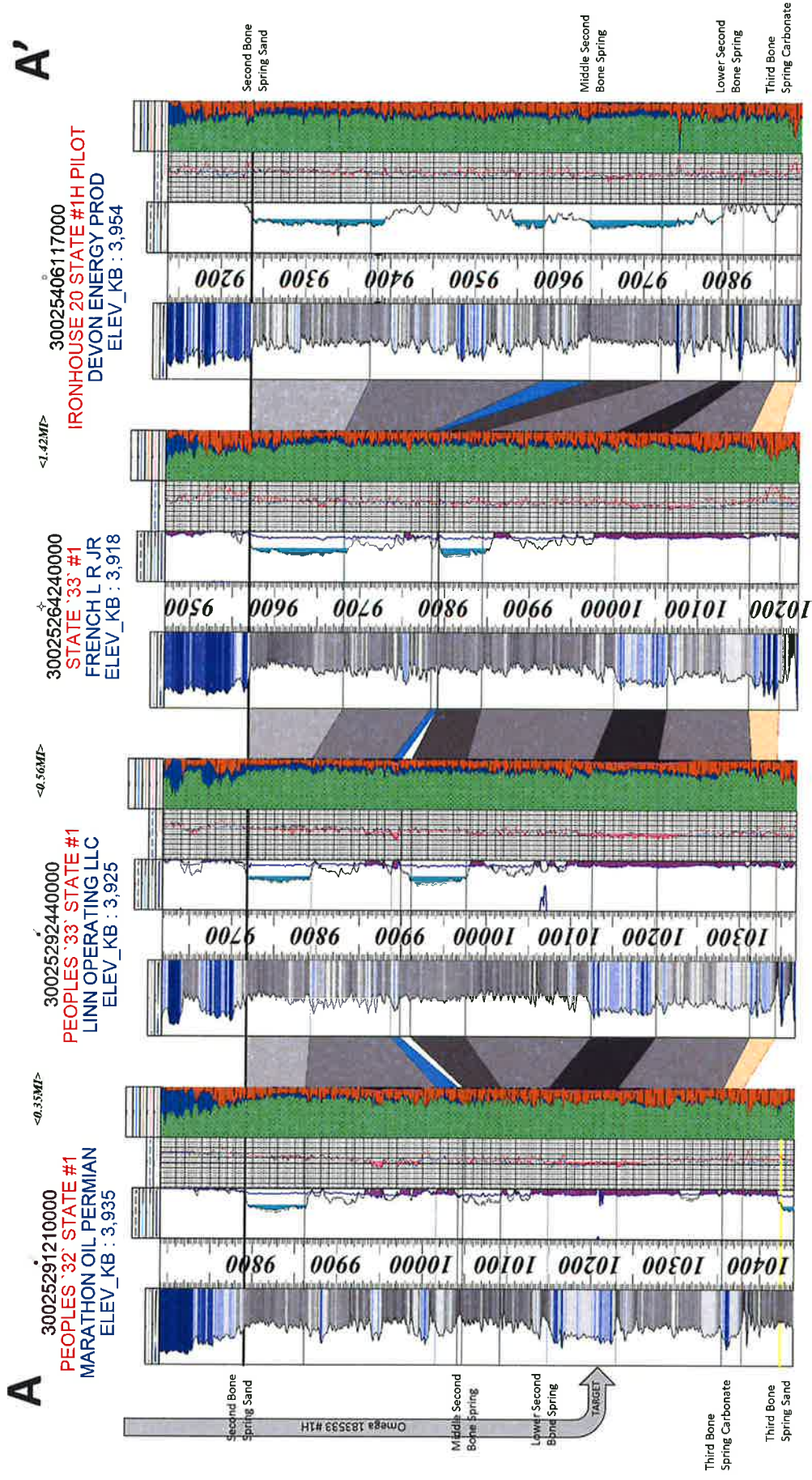
Case No. 21091



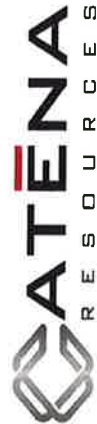


# Second Bone Spring Sand Datum

## Cross Section



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D3  
Submitted by: Catena Resources Operating, LLC  
Hearing Date: March 05, 2020  
Case No. 21091



**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. 21091**

**AFFIDAVIT**

STATE OF NEW MEXICO   )  
  ) ss.  
COUNTY OF SANTA FE   )

Kaitlyn A. Luck, attorney in fact and authorized representative of Catena Resources Operating, LLC the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letters and proof of receipts attached hereto.

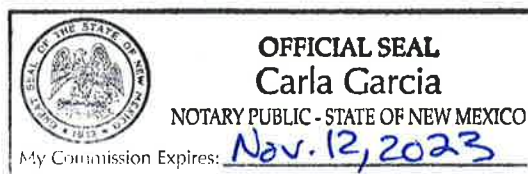
  
\_\_\_\_\_  
Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 4th day of March, 2020 by Kaitlyn A. Luck.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

Nov. 12, 2023



**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. E**  
Submitted by: **Catena Resources Operating, LLC**  
Hearing Date: March 05, 2020  
Case No. 21091

**HOLLAND & HART** LLP



**Michael H. Feldewert**  
**Phone (505) 988-4421**  
**Fax (505) 983-6043**  
**[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)**

February 14, 2020

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**Thomaston, LLC**  
**1050 17th Street, Suite 2500**  
**Denver, Colorado 80265**

**Re: Application of Catena Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico.**  
**Omega 183533 1H Well**

Ladies & Gentlemen:

This letter is to advise you that Catena Resources Operating, LLC, has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on March 5, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Robert Swann at (210) 775-6993 or at [rswann@catenares.com](mailto:rswann@catenares.com).

Sincerely,

**Michael H. Feldewert**  
**ATTORNEY FOR CATENA RESOURCES OPERATING,**  
**LLC**



**HOLLAND & HART**



**Michael H. Feldewert**  
**Phone (505) 988-4421**  
**Fax (505) 983-6043**  
**mfeldewert@hollandhart.com**

February 10, 2020

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**Marathon Oil Company**  
**P.O. Box 2069**  
**Houston, Texas 77252**

**Re: Application of Catena Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico.**  
**Omega 183533 1H Well**

Ladies & Gentlemen:

This letter is to advise you that Catena Resources Operating, LLC, has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on March 5, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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If you have any questions about this matter, please contact Robert Swann at (210) 775-6993 or at [rswann@catenares.com](mailto:rswann@catenares.com).

Sincerely,

Michael H. Feldewert

**ATTORNEY FOR CATENA RESOURCES OPERATING, LLC**

Catena - Omega Wells

Case No. 21091 Postal Delivery Report

Tracking Number Recipient

9214890194038306239182 ( Thomaston LLC 1050 17th Street Suite 2500 Denver CO 80265

Status

Delivered&nbsp;Signature Received

Catena - Omega

Case No. 21091 - Postal Delivery Report\_Marathon

Tracking Number Recipient

9214890194038306090899 ( Marathon Oil Company PO BOX 2069 Houston TX 77252

Status

Delivered Signature Received



**A. Mailer Action**

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

**Catena - Omega**  
**Case No. 21091**  
**CM# 106903.0001**

\$5.75

**Shipment Confirmation  
Acceptance Notice**

Shipment Date: 02/11/2020

Shipped From:

Name: HOLLAND &amp; HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

**B. USPS Action**

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0020 2121 23





## Firm Mailing Book For Accountable Mail

[illegible]

**A. Mailer Action**

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

**Catena - 183533 1H Well**  
**Case No. 21091**  
**CM# 106903.0001**

**\$5.75**

**Shipment Confirmation  
Acceptance Notice**Shipment Date: 02/10/2020

Shipped From:

Name: HOLLAND & HART LLP (1)Address: 110 N GUADALUPE ST # 1City: SANTA FEState: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

**B. USPS Action**

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count **message** by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

**USPS SCAN AT ACCEPTANCE**

9275 0901 1935 6200 0020 1834 47



## Firm Mailing Book For Accountable Mail

[illegible]

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

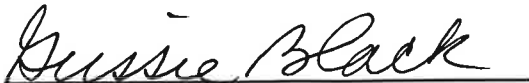
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
February 21, 2020  
and ending with the issue dated  
February 21, 2020.



Publisher

Sworn and subscribed to before me this  
21st day of February 2020.

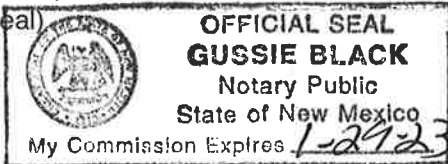


Business Manager

My commission expires

January 29, 2023

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE  
FEBRUARY 21, 2020

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold a public hearing before a hearing examiner on **March 5, 2020, 8:15 a.m.**, in Porter Hall, 1st Floor, Wendell Chino Building, 1220 South St. Francis, Santa Fe, New Mexico. The docket may be viewed electronically on the Division's website, <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Florene Davidson, OCD Clerk, at (505) 476-3458. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imagin/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in the hearing, contact Florene Davidson, OCD Clerk, at (505) 476-3458, or at the New Mexico Relay Network, 1-800-659-1779, no later than **February 24, 2020**.

**STATE OF NEW MEXICO TO:**  
All named parties and persons  
having any right, title, interest  
or claim in the following case  
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**To: Marathon Oil Company and Thomaston, LLC.**

**Case No. 21091: Application of Catena Resources Operating, LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 280-acre, more or less, horizontal spacing unit comprised of the W/2 NW/4 of Section 33, the W/2 W/2 of Section 28 and the SW/4 SW/4 of Section 21, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed **Omega 183533 1H Well** to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 33 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 21. The completed interval for the proposed well will comply with the statewide setback requirements for horizontal oil wells. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles East of Hobbs, New Mexico  
**#35225**

67100754

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HOLLAND & HART LLC  
PO BOX 2208  
SANTA FE,, NM 87504-2208

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. F**  
Submitted by: **Catena Resources Operating, LLC**  
Hearing Date: March 05, 2020  
Case No. 21091