

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NOS: 21351, 21352
21354, 21356

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

AUGUST 6, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, DEAN McCLURE, JOHN GARCIA and KATHLEEN MURPHY on Thursday, August 6, 2020, hosted by the New Mexico Energy, Minerals, and Natural Resources Department, through Cisco Webex electronic platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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A P P E A R A N C E S

For the Applicant:

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1 HEARING EXAMINER ORTH: Let's move on to 21351
2 and 21352, Catena Resource, compulsory pooling application.
3 The well name is Rope. Mr. Feldewert, are you here again
4 for Catena, I trust?

5 MR. FELDEWERT: Yes, Madam Examiner.

6 HEARING EXAMINER ORTH: Okay. And, Ms. Bennett,
7 are you here for Marathon?

8 MS. BENNETT: Yes, Madam Examiner.

9 HEARING EXAMINER ORTH: Okay. And then Mr.
10 Rodriguez, are you here for COG?

11 MR. RODRIGUEZ: Yes, Madam Examiner.

12 HEARING EXAMINER ORTH: Okay. Let me pause a
13 moment to ask if there are any other appearances?

14 (No response.)

15 HEARING EXAMINER ORTH: No? Okay. Mr.
16 Feldewert, what are we doing this morning on 21351 and 52?

17 MR. FELDEWERT: Madam Examiner, I intend to
18 proceed with 21351. We had requested that 21352, along with
19 two additional cases, all three of which involve efforts to
20 pool a similar spacing unit in the Bone Spring formation.
21 We would ask that 21352, 21354 and 21356 be continued
22 primarily because I discovered when I was preparing this
23 matter for hearing on Tuesday that there may be an issue
24 with the Bone Spring spacing units, so I sent an e-mail. I
25 know I was late, and I apologize for that, but I didn't

1 discover the issue until it was after the deadline.

2 I sent an e-mail. It's my understanding that
3 counsel involved doesn't object to that, so I had requested
4 that the matter be continued to the September docket so I
5 can take a closer look at the Bone Spring issues and decide
6 how to proceed.

7 HEARING EXAMINER ORTH: All right. Thank you,
8 Mr. Feldewert. Are there objections -- let me just ask if
9 21352, 54 and 56 were on the docket as a possible
10 continuance. I believe I had e-mails from Ms. Bennett
11 noting that she did not object. Ms. Bennett, that's
12 correct?

13 MS. BENNETT: That's correct, Madam Examiner.

14 HEARING EXAMINER ORTH: All right. And Mr.
15 Rodriguez, any objection?

16 MR. RODRIGUEZ: We have no objection.

17 HEARING EXAMINER ORTH: All right. So 21352,
18 21354 and 21356 are continued. Ms. Salvidrez will handle
19 that function, and let's return then to 21351. Do I have an
20 objection, Ms. Bennett, from Mr. Feldewert proceeding by
21 affidavit?

22 MS. BENNETT: No, Madam Examiner. Marathon has
23 entered its appearance in this case simply to preserve its
24 rights to appeal in the event that that becomes necessary.

25 HEARING EXAMINER ORTH: All right. Thank you.

1 Mr. Rodriguez, do you object to Mr. Feldewert
2 proceeding by affidavit?

3 MR. RODRIGUEZ: No objection, Madam Examiner.

4 HEARING EXAMINER ORTH: All right, thank you.
5 Mr. Feldewert, if you would.

6 MR. FELDEWERT: Thank you. In this case, Catena,
7 Madam Examiner, seeks to pool a Wolfcamp formation
8 underlying a 640-acre standard horizontal spacing unit
9 comprised of the E/2 of Sections 19 and 30 in Township 18
10 South, 35 East in Lea County.

11 This is going to be initially dedicated to a
12 single well. It would be the Rope Well, which is going to
13 be drilled at a location such that it's completed interval
14 will allow the inclusion of the W/2 of the E/2 of these two
15 sections into a standard horizontal spacing unit.

16 In our package we provided for the Division the
17 application that was filed, as well as the compulsory
18 pooling checklist. And then we have an affidavit which has
19 been marked as Exhibit A to Mr. Robert Swan who is the
20 landman for Catena, and he has provided, with his affidavit,
21 and discussed the C-102 for the well, location map, the
22 spacing unit and the ownership breakdown, well proposal
23 letters, and then a chronology of contacts with non-joined
24 working interest owners which is just a set of working
25 interest owners.

1 We provided as Exhibit B the affidavit of Vince
2 Smith. He's a geologist, and he has provided what's your
3 customary -- what you customarily see in the (inaudible)
4 map, and then a cross section, and then a location, a map
5 that identifies the orientation of the proposed -- of the
6 existing wells substantiating the orientation of this well.

7 And finally, in Exhibit C is our affidavit
8 providing notice of this hearing. All the parties were
9 received notice, therefore there was no need to publish.

10 So with that, I would ask that Catena Exhibits A,
11 B and C be admitted and the matter taken under advisement.

12 HEARING EXAMINER ORTH: All right. Thank you,
13 Mr. Feldewert. Exhibits A, B, C are admitted.

14 Let me ask the technical examiners, do you have
15 any questions? Mr. McClure, do you have any question of Mr.
16 Feldewert?

17 EXAMINER McCLURE: No, ma'am, I do not have any
18 questions at this time.

19 HEARING EXAMINER ORTH: All right, thank you.
20 Mr. Garcia?

21 EXAMINER GARCIA: I have no questions, either.

22 HEARING EXAMINER ORTH: All right. Thank you.
23 Thank you, Mr. Feldewert. The matter will be taken under
24 advisement.

25 (Exhibits A, B and C admitted.)

1 (Taken under advisement.)

2 (Adjourned.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court
7 Reporter, do hereby certify that I reported the foregoing
8 proceedings in stenographic shorthand and that the foregoing
9 pages are a true and correct transcript of those proceedings
10 that were reduced to printed form by me to the best of my
11 ability.

12 I FURTHER CERTIFY that I am neither employed by
13 nor related to any of the parties of attorneys in this case
14 and that I have no interest in the final disposition of this
15 case.

16 I FURTHER CERTIFY that the Virtual Proceeding was
17 of fair quality.

18 Dated this 6th day of August 2020.

19

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-20

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