

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: 21355

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
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102
505-843-9241

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A P P E A R A N C E S

For the Applicant:

MICHAEL FELDEWERT
HOLLAND & HART
110 North Guadalupe, Suite 1
Santa Fe, NM 87501
505-954-7286

For Marathon:

DEANA BENNETT
MODRALL SPERLING ROEHL HARRIS & SISK PA
500 4th Street, NW, Suite 1000
Albuquerque, NM 87102
505-848-9710
deana.bennett@modrall.com

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| SUMMARY OF CASE | 03 |
| EXHIBITS AND ALL ATTACHMENTS | 05 |
| TAKEN UNDER ADVISEMENT | 05 |
| REPORTER CERTIFICATE | 06 |

1 HEARING EXAMINER ORTH: Let's move to matter
2 21355. Still up? Catena Resource is the applicant,
3 compulsory pooling application. The well name is Ball.

4 Ms. Bennett, are you still here for Marathon?

5 MS. BENNETT: Yes, I am. Thank you, Madam
6 Examiner. And as with the other Catena cases today,
7 Marathon is only entering its appearance in this case to
8 preserve its right to appeal if necessary. So Marathon does
9 not object to the case being heard by affidavit.

10 HEARING EXAMINER ORTH: Thank you. Let's pause a
11 moment to see if there are any other appearances this
12 morning.

13 (No response.)

14 HEARING EXAMINER ORTH: No? All right. If you
15 will, Mr. Feldewert.

16 MR. FELDEWERT: Thank you, Madam Examiner. In
17 this case Catena seeks to pool the Wolfcamp formation
18 underlying a standard 640 acre horizontal spacing unit
19 comprised of the E/2 of Sections 20 and 29 in Township 18
20 South, 35 East, in Lea County.

21 This will also then be dedicated initially to a
22 single well, the Ball 1H, which will be drilled at a
23 location such that its completed interval will be within 330
24 feet of the W/2 of the E/2 of Section 20 and 29 to allow
25 inclusion of this offsetting acreage into the standard

1 spacing unit.

2 We provided with our package the compulsory
3 pooling application checklist, as well as the application
4 itself. Again, we have an affidavit from Mr. Robert Swan,
5 who is the landman from Catena in which he provides the
6 C-102 for the well, provides the location map to discuss the
7 ownership and the ownership breakdown, provides a sample of
8 the well proposal letter with the AFE, and then the
9 chronology of his contact with the non-joined owners.

10 We then (inaudible) Catena Exhibit B is the
11 Affidavit of Vince Smith who is a geologist. He provides a
12 structure map covering this spacing unit, the cross section,
13 and then a map identifying the orientation of the existing
14 wells for the purpose of discussing the orientation of this
15 particular well.

16 Finally, Exhibit C is our notice affidavit that
17 was sent to the interest owners that we seek to pool. And
18 you will note that the only party that the company seeks to
19 pool is Marathon who received notice, so there is no
20 affidavit of publication.

21 So with that we would ask that the A, B and C be
22 admitted, and that the matter be taken under advisement.

23 HEARING EXAMINER ORTH: Thank you. Mr. McClure,
24 do you have any questions of Mr. Feldewert?

25 EXAMINER McCLURE: No, ma'am. I have no

1 questions at this time.

2 HEARING EXAMINER ORTH: Thank you. Mr. Garcia?

3 EXAMINER GARCIA: I do not.

4 HEARING EXAMINER ORTH: All right. Thank you.

5 Exhibits A through C are admitted and the matter will be
6 taken under advisement.

7 (Exhibits A, B and C admitted.)

8 (Taken under advisement.)

9 (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 or 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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