

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING OCTOBER 08, 2020**

CASE No. 21459

MARINER 193507 #1H WELL

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. 21459


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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21459	APPLICANT'S RESPONSE
Date: October 8, 2020	
Applicant	Catena Resources Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Catena Resources Operating, LLC (OGRID No. 328449)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF CATENA RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Marathon Oil Permian, LLC
Well Family	Mariner 193507 1H well
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp Formation
Pool Name and Pool Code:	Scharb; Wolfcamp (55640)
Well Location Setback Rules:	Statewide horizontal oil well rules
Spacing Unit Size:	640-acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal well spacing unit
Size (Acres)	640 acres, more or less
Building Blocks:	quarter-quarter sections
Orientation:	North to South
Description: TRS/County	E/2 of Sections 6 and 7, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	None
Proximity Tracts: If yes, description	W/2 E/2 of Sections 6 and 7
Proximity Defining Well: if yes, description	Mariner 193507 1H well
Applicant's Ownership in Each Tract	Exhibit A-3
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 193507 #1H well (API # 30-025-pending) SHL: 190' <u>FNL</u> & 1245' <u>FEL</u> (Unit A), Sec. 18, T19S, R35E BHL: 100' <u>FNL</u> & 1285' <u>FEL</u> (Lot 1), Sec. 6, T19S, R35E Completion target: Wolfcamp Well orientation: South to North Completion location: expected to be: proximity tract well
Horizontal Well First and Last Take Points	See Exhibit A-1
Completion Target (Formation, TVD and MD)	See Exhibit B
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	See Exhibit A
Requested Risk Charge	200%

Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	N/A
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
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	Exhibit A-4
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 A-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit A-2
Well Orientation (with rationale)	Exhibit B-1
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-2
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-1
Cross Section (including Landing Zone)	Exhibit B-2
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	
Date:	6-Oct-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. 21459

APPLICATION

Catena Resources Operating, LLC ("Applicant") (OGRID No. 328449), 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 Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 6 and 7, Township 19 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 initial **Mariner 193507 1H well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 18 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 6.
3. The completed interval for the proposed well will remain within 330 feet of the W/2 E/2 of Sections 6 and 7 to include this offsetting acreage in a standard horizontal well spacing unit.
4. 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.

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

6. 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 October 8, 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 wells 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: _____

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

[mhfrldewert@hollandhart.com](mailto:mhfirdewert@hollandhart.com)

agrankin@hollandhart.com

jbroggi@hollandhart.com

kaluck@hollandhart.com

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. 21459

AFFIDAVIT OF ROBERT SWANN

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

1. My name is Robert Swann. I am a 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 I am familiar with the status of the lands in the subject area.

4. The uncommitted parties have not indicated any opposition to this pooling application proceeding by affidavit, and I do not expect any opposition at the hearing.

5. Catena seek an order pooling all uncommitted interests in the Wolfcamp formation [Scharb; Wolfcamp Pool (55640)] underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 6 and 7, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

6. Catena seeks to initially dedicate this spacing unit to the proposed **Mariner 193507 1H well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 18 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 6. The completed interval for the

proposed well will remain within 330 feet of the W/2 E/2 of Sections 6 and 7 to include this offsetting acreage in a standard horizontal well spacing unit.

7. **Exhibit A-1** contains the Form C-102 for the proposed well.

8. **Exhibit A-2** is a general location map outlining the acreage being pooled and the lateral trajectory of the proposed well. The acreage is comprised of state, and fee lands.

9. **Exhibit A-3** identifies the tracts of land comprising the proposed spacing unit, the working interest ownership in each tract and their respective interest in the horizontal spacing unit. The mineral owners that remain to be pooled are highlighted on Exhibit A-3.

10. No ownership depth severances exist within in the Wolfcamp formation underlying the subject acreage.

11. Catena has conducted a diligent search of company records, county records, telephone directories and conducted computer searches to locate contact information for each of the mineral owners that it seeks to pool.

12. **Exhibit A-4** contains a sample of the letter and AFE for the proposed well sent to the working interest owners that Catena has been able to locate. The costs reflected on the AFE are consistent with what Catena and other operators have incurred for drilling similar horizontal wells in the area in this formation.

13. **Exhibit A-5** contains a chronology of the contacts with the uncommitted mineral owners Catena was able to locate. Catena has made a good faith effort to obtain voluntary joinder of these owners in the proposed wells.

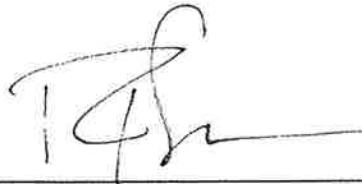
14. **Exhibit A-6** is Catena's notice of the overlapping spacing unit in this case, pursuant to 19.15.16.15.B(9) NMAC, which reflects that all affected working interest owners were provided notice of the overlapping spacing unit. No objection was received within the 20-day time period.

15. Catena requests overhead and administrative rates of \$8,000 per month for drilling and \$800 per month for a producing well. These rates are consistent with the rates charged by Catena and other operators for similar wells in this area.

16. I have provided the law firm of Holland and Hart, LLP, with the names and addresses (where available) of the mineral owners that Catena seeks to pool and instructed that they be notified of this hearing.

17. Exhibits A-1 through A-6 were prepared by me or compiled under my direction from company business records.

FURTHER AFFIANT SAYETH NAUGHT.



ROBERT SWANN

STATE OF TEXAS)
)
COUNTY OF BEXAR)

SUBSCRIBED and SWORN to before me this 6th day of October 2020 by
Robert Swann.





NOTARY PUBLIC

My Commission Expires:

12/05/2023

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

¹ API Number		² Pool Code 55640		³ Pool Name Scharb; Wolfcamp	
⁴ Property Code		⁵ Property Name Mariner 193507			⁶ Well Number 1H
⁷ OGRID No. 328449		⁸ Operator Name Catena Resources Operating, LLC			⁹ Elevation

¹⁰ Surface Location

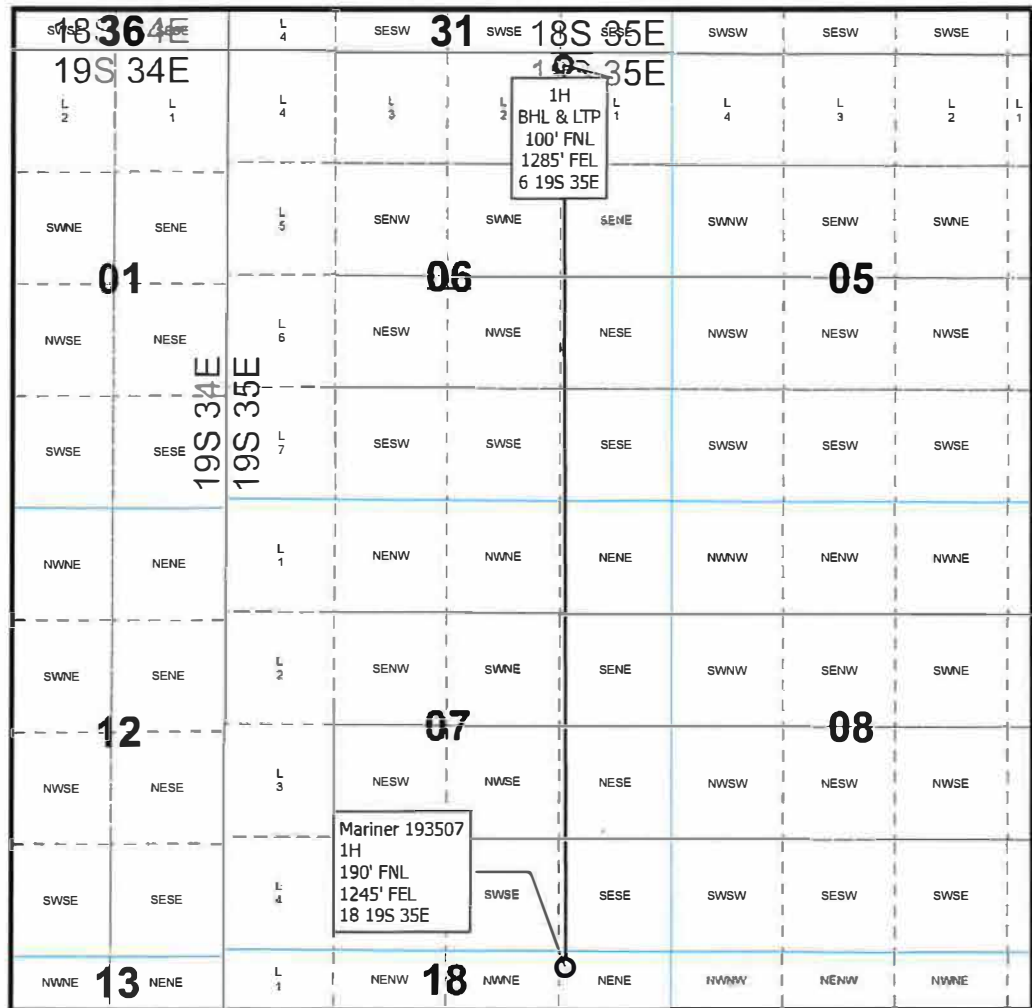
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	19S	35E		190'	FNL	1245'	FEL	Lea

¹¹ 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
1	6	19S	35E		100'	FNL	1285'	FEL	Lea

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
639.40		COM	

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.



¹⁷ OPERATOR CERTIFICATION

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 work interest, or to a voluntary pooling agreement or an compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ 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.

Date of Survey _____

Signature and Seal of Professional Surveyor: _____

Certificate Number _____

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A1

Submitted by: Catena Resources Operating, LLC
Hearing Date: October 08, 2020
Case No. 21459

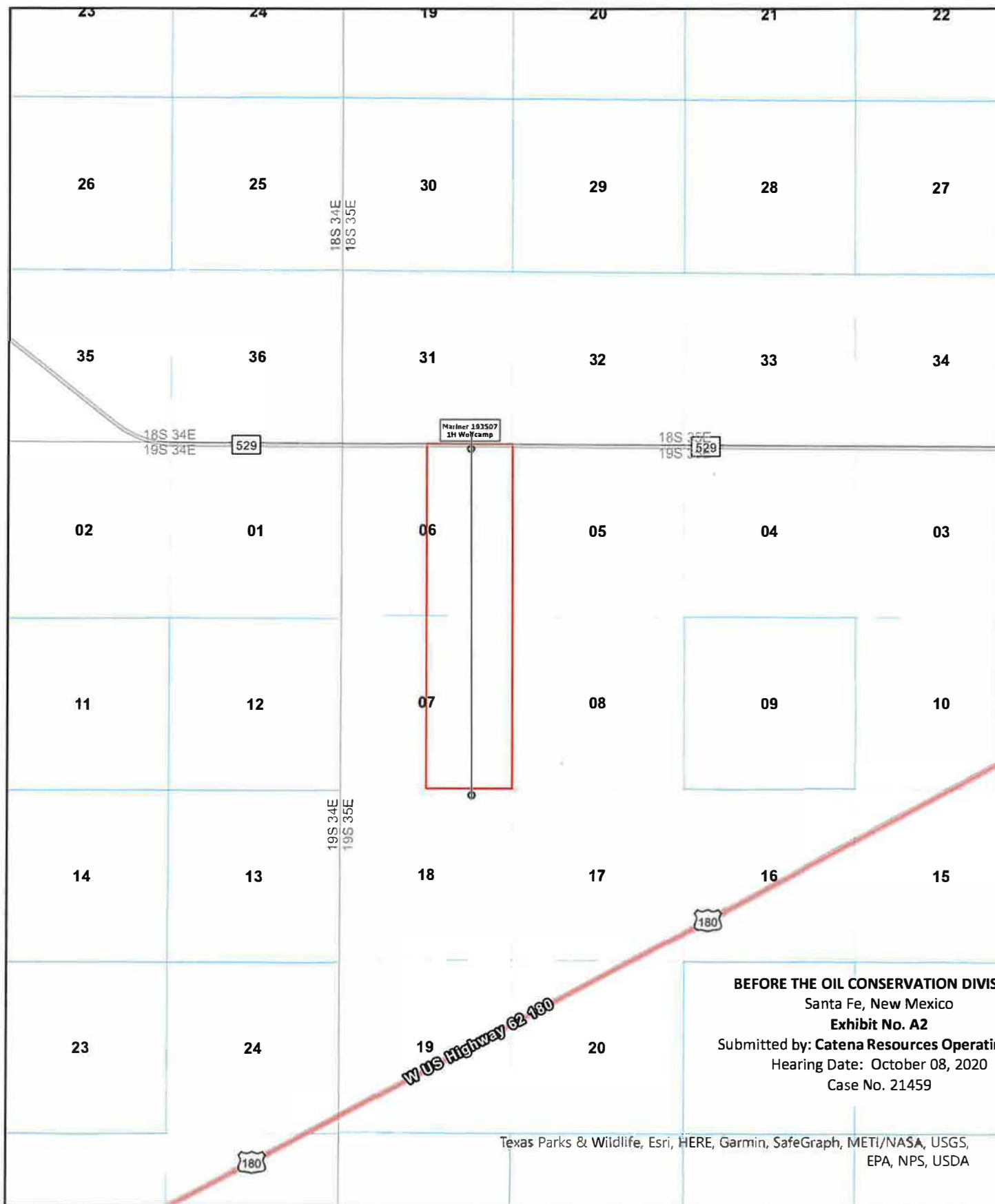
Catena Resources Operating, LLC

Unit Name: Mariner 193507

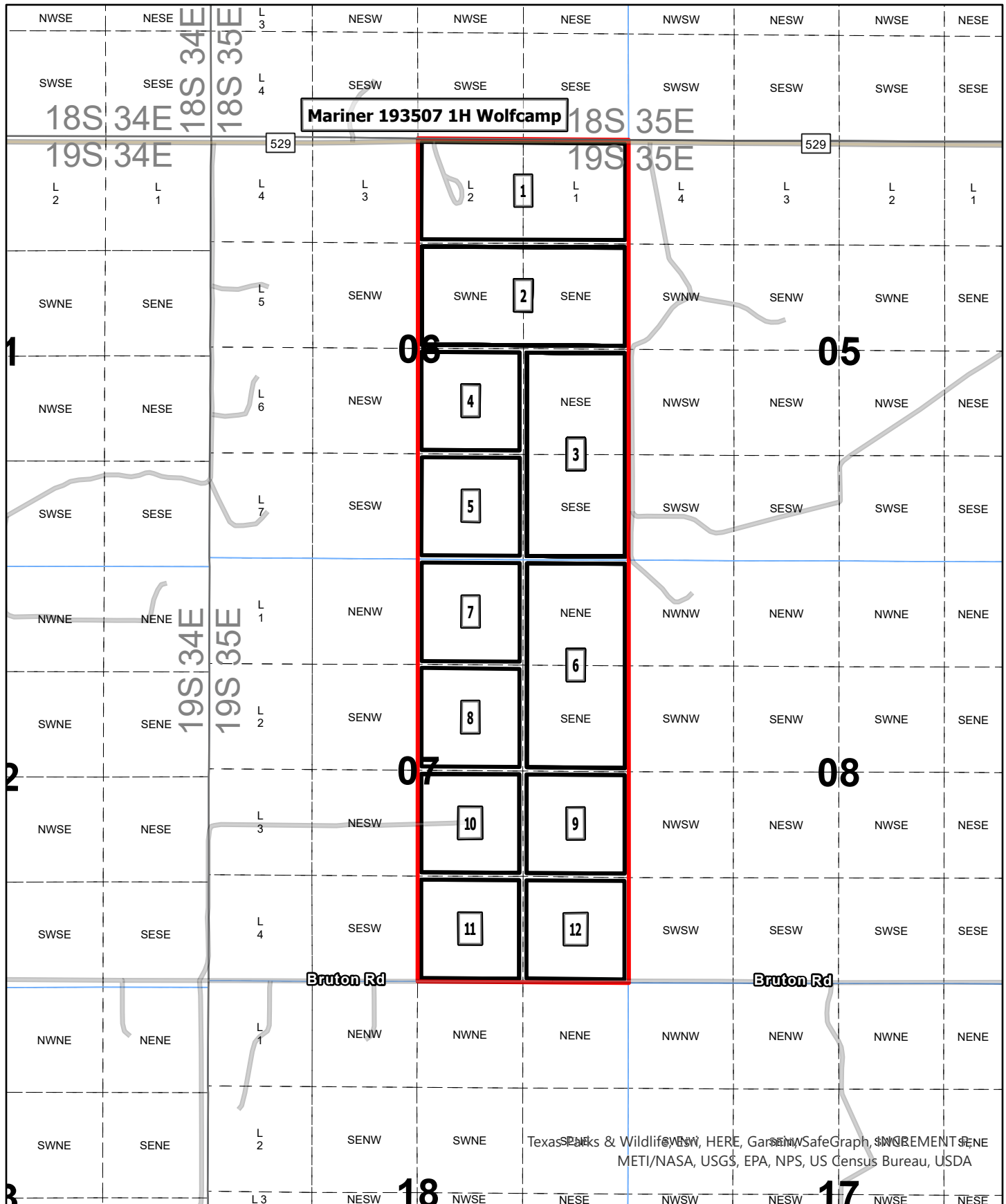
Well Name: Mariner 193507

Well No: 1H

Case Number: 21459



Case No. 21459



Tract No	Proposed Unit Gross	Record WI Owner	WC WI	Gross	Property Description	S	T	R	NMA	Tract WI	Tract Participation
1	640	Marathon	1	80	N2NE	6	19S	35E	80	12.50%	12.50%
2	640	Marathon	1	80	S2NE	6	19S	35E	80	12.50%	12.50%
3	640	Catena Resources Operating, LLC	0.5	80	E2SE	6	19S	35E	40	6.25%	12.50%
3	640	COG	0.5	80	E2SE	6	19S	35E	40	6.25%	12.50%
4	640	Catena Resources Operating, LLC	1	40	NWSE	6	19S	35E	40	6.25%	6.25%
5	640	COG	1	40	SWSE	6	19S	35E	40	6.25%	6.25%
6	640	COG	0.5	80	E2NE	7	19S	35E	40	6.25%	12.50%
6	640	Catena Resources Operating, LLC	0.5	80	E2NE	7	19S	35E	40	6.25%	12.50%
7	640	Oxy	1	40	NWNE	7	19S	35E	40	6.25%	6.25%
8	640	Oxy	1	40	SWNE	7	19S	35E	40	6.25%	6.25%
9	640	Marathon	1	40	NESE	7	19S	35E	40	6.25%	6.25%
10	640	Marathon	0.5	40	NWSE	7	19S	35E	20	3.13%	6.25%
10	640	Read and Stevens	0.5	40	NWSE	7	19S	35E	20	3.13%	6.25%
11	640	Catena Resources Operating, LLC	0.75	40	SWSE	7	19S	35E	30	4.69%	6.25%
11	640	COG	0.25	40	SWSE	7	19S	35E	10	1.56%	6.25%
12	640	COG	1	40	SESE	7	19S	35E	40	6.25%	6.25%

Record WI Owner	WC WI	NMA WC
Catena Resources Operating, LLC	23.44%	150
COG	26.56%	170
Marathon	34.38%	220
Oxy	12.50%	80
Read and Stevens	3.13%	20
Totals	100.00%	640



July 23, 2020
Via Certified Mail

Re: **Mariner 193507 1H Well Proposal**
Wolfcamp Formation
E2 of Section 7 T19S, 35E, and Section 6, T19S, R35E
Lea County, New Mexico

Mariner 193507 2H Well Proposal
Bone Springs Formation
E2 of Section 7 T19S, 35E, and Section 6, T19S, R35E
Lea County, New Mexico

Ladies and Gentlemen,

Catena Resources Operating, LLC ("Catena") as Operator hereby proposes to drill the following wells to a depth sufficient to test the Wolfcamp and Bone Spring formations:

Well Name	SHL Sec. 18	BHL Sec. 6	Spacing Unit 640 Acres	Target TVD	Estimated TMD
Mariner 193507 1H Wolfcamp Formation	FNL: 190' FEL: 1245'	FNL: 100' FEL: 1285'	E/2 of Section 7, T19S, 35E and Section 6, T19S, R35E	11,018'	20,698'
Mariner 193507 2H Bone Spring Formation	FNL: 190' FEL: 1235'	FNL: 100' FEL: 1285'	E/2 of Section 7, T19S, 35E and Section 6, T19S, R35E	9,591'	20,444'

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 April 16, 2020 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. 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 or call me at (210) 775-6993.

Sincerely,

Catena Resources Operating, LLC

Robert Swann
Land Manager

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico


Exhibit No. A4


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

Hearing Date: October 08, 2020

Case No. 21459



		WELL COST ESTIMATE				AFE NO.		
		WELL NAME: REL NAME: LOCATION: COUNTY / ST: OBJECTIVE:	Mariner 193507 1H 2.0 sec. lateral, Lea County, NM Wolfcamp	DATE: START DATE: COMPLETE DATE: ORIGINAL: SUPPLEMENT:	16-Apr-20 X			
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	\$30,000	32004	\$0		\$0	\$30,000
Roads & Location / Reserve Pit - Reclamation		31005		32005	\$0		\$0	\$0
Frac Pond		31006		32006	\$0		\$0	\$0
Gate Guard		31007		32007	\$0		\$0	\$0
House / Rathole / Conductor		31008	\$19,000		\$0		\$0	\$19,000
Mobilization / Demobilization		31009	\$230,675	32008	\$0		\$0	\$230,675
Drilling - Daywork		31010	\$574,646		\$0		\$0	\$574,646
Drilling - Footage		31011			\$0		\$0	\$0
Drilling - Turnkey		31012			\$0		\$0	\$0
Completion / Snubbing / Workover Unit		31013		32009	\$40,000		\$0	\$40,000
Trailer House / Communications		31014	\$45,872	32010	\$24,200		\$0	\$67,772
Drill Bits		31015	\$103,000	32011	\$0		\$0	\$103,000
Directional Equipment / Gyro Surveys		31016	\$266,326	32012	\$0		\$0	\$266,326
Downhole Tool / Stabilization Rental		31017	\$57,075	32013	\$34,000		\$0	\$91,075
Mud / Chemicals		31018	\$222,698	32014	\$601,500		\$0	\$824,098
Fuel / Power		31019	\$116,482	32015	\$471,800		\$0	\$588,282
Water Supply Well, equipment		31020	\$3,603	32016	\$0		\$0	\$3,603
Water / Water Hauling		31021		32017	\$816,550		\$0	\$816,550
Offsite Water & Cuttings Disposal		31022	\$284,773	32018	\$30,500		\$0	\$315,273
Transportation / Hauling		31023	\$31,000	32019	\$0	33005	\$15,000	\$46,000
Inspection / Tubular Testing		31024	\$101,000	32020	\$0		\$0	\$101,000
Laydown Machine / Casing Crew / Tongs		31025	\$62,190	32021	\$0		\$0	\$62,190
Cementing, Float Equipment & Services		31026	\$65,072	32022	\$0		\$0	\$65,072
Mud Logging		31027	\$35,343		\$0		\$0	\$35,343
Logging - Open Hole		31028		32023	\$0		\$0	\$0
Logging - Cased 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 / Stickline Services		31032		32026	\$15,000		\$0	\$15,000
Equipment Rental		31033	\$163,809	32027	\$236,000		\$0	\$399,809
Pumping Services/Rental		31034		32028	\$21,000		\$0	\$21,000
Acidizing & Fracturing		31035		32029	\$2,479,000		\$0	\$2,479,000
Coil Tubing Unit		31036		32030	\$120,000		\$0	\$120,000
Flow Testing, Swabbing		31037		32031	\$36,875		\$0	\$36,875
Fishing / Sidetrack Services		31038		32032	\$0		\$0	\$0
Nipple Up / BOPE Testing		31039	\$6,400	32033	\$23,000		\$0	\$29,400
Overhead		31040	\$8,000	32034	\$19,500		\$0	\$27,500
Wellsite Consulting Services/Supervision		31041	\$170,626	32035	\$163,950	33003	\$25,000	\$344,576
Engineering / Geological / Lab Service Tracers and diagnostics		31042	\$25,000	32036	\$39,500		\$15,000	\$79,500
Roughabout / Contract Labor		31043	\$9,480	32037	\$0	33004	\$160,000	\$169,480
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	\$6,610	33007	\$0	\$6,610
5.5% Contingency (8% Taxes on Casing included in casing cost)		31049	\$141,973	32043	\$371,200		\$10,500	\$463,673
NON-OP Drilling Intangible		31050		32044	\$0		\$0	\$0
Pipeline Installation / Interconnect		31051		32045	\$0	33008	\$0	\$0
TOTAL INTANGIBLE COSTS			\$7,881,422		\$5,959,385		\$220,600	\$9,171,307
TANGIBLE COSTS		ACCT CODE	DRILLING - 311XX	ACCT CODE	COMPLETION - 321XX	ACCT CODE	FACILITIES - 331XX	TOTAL
Conductor	Size Feet BPP	31101						
Surface Casing	13 3/8"	31102	\$68,600					\$68,600
1st Intermediate Casing / Liner	9 5/8"	31103	\$113,200					\$113,200
2nd Intermediate Casing / Liner		31104						\$0
Production Casing / Liner	5 1/2"			32101	\$430,000			\$430,000
Casing Tie Back				32102				
Liner Hanger Assembly				32103				
Tubing	2 3/8 10,500 \$ 5.85			32104	\$61,425			\$61,425
Casing Equipment - OHMS / Etc.				32105	\$31,200			\$31,200
Wellhead Equipment		31105	\$52,000	32106	\$27,000			\$79,000
Pumping Unit / Prime Mover / Base				32107	\$0	33101	\$0	\$0
Rods / Pony 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
Rowlines / Connections / Valves				32118	\$0	33112	\$46,960	\$46,960
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	\$36,000	\$40,000
NON-OP Drilling Intangible				32126	\$0	33120	\$0	\$0
Transfer/SWD Pumps & Equipment				32127	\$0	33121	\$19,000	\$19,000
Rare / Combustor				32128	\$0	33122	\$32,000	\$32,000
Miscellaneous		31106	\$11,890	32129	\$24,410	33123	\$0	\$24,410
Contingency Costs		31107	\$245,490	32130	\$31,031	33124	\$0	\$42,721
TOTAL TANGIBLE COSTS			\$245,490		\$676,068		\$503,220	\$1,424,778
TOTAL WELL COSTS			\$8,226,912		\$6,645,451		\$723,720	\$10,596,083
Prepared by		Travis Salinas		Title: Engineer				
The AFE is only an estimate. By returning this signed copy, you agree to pay your share of the actual costs incurred.								
Extra Expense Insurance <input type="checkbox"/> I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.								
<input type="checkbox"/> I elect to purchase my own well control insurance policy.								
either box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.								
Joint Owner Interest: _____ Amount: _____								
Joint Owner Name: _____ Signature: _____								

		WELL COST ESTIMATE					AFE NO.	
		WELL NAME: FIELD NAME: LOCATION: COUNTY/ST: OBJECTIVE:	Mariner 193507 2H 2 sec. lateral, Lea County, NM Bone Spring	DATE: START DATE: COMPLETE DATE: ORIGINAL: SUPPLEMENT:	16-Apr-20			
INTANGIBLE COSTS		ACCT CODE	DRILLING - 310XX	ACCT CODE	COMPLETION - 320XX	ACCT CODE	FACILITIES - 330XX	TOTAL
Legal Fees / Title Opinion	31001	\$80,000	32001	\$0	33001	\$0	\$80,000	
Surveys / Staking / Permits / Bonds / Regulatory	31002	\$28,700	32002	\$0	33002	\$0	\$28,700	
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	
Frac Pond	31006		32006	\$0		\$0	\$0	
Gate Guard	31007		32007	\$0		\$0	\$0	
Mousse / Rathole / Conductor	31008	\$19,000		\$0		\$0	\$19,000	
Mobilization / Demobilization	31009	\$230,676	32008	\$0		\$0	\$230,676	
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	31013		32009	\$40,000		\$0	\$40,000	
Trailer House / Communications	31014	\$43,572	32010	\$24,200		\$0	\$67,772	
Drill Bits	31015	\$86,000	32011	\$0		\$0	\$86,000	
Directional Equipment / Gyro Surveys	31016	\$226,000	32012	\$0		\$0	\$226,000	
Downhole Tool / Stabilization Rental	31017	\$67,076	32013	\$14,000		\$0	\$81,076	
Mud / Chemicals	31018	\$200,000	32014	\$601,800		\$0	\$801,800	
Fuel / Power	31019	\$164,800	32015	\$477,800		\$0	\$642,600	
Water Supply Well, equipment	31020	\$3,800	32016	\$0		\$0	\$3,800	
Water / Water Hauling	31021		32017	\$816,550		\$0	\$816,550	
Offsite Water & Cuttings Disposal	31022	\$243,056	32018	\$30,600		\$0	\$273,656	
Transportation / Hauling	31023	\$91,000	32019	\$0	33009	\$16,000	\$107,000	
Inspection / Tubular Testing	31024	\$95,664	32020	\$0		\$0	\$95,664	
Laydown Machine / Casing Crew / Tongs	31025	\$69,248	32021	\$0		\$0	\$69,248	
Cementing, Road Equipment & Services	31026	\$62,468	32022	\$0		\$0	\$62,468	
Mud Logging	31027	\$38,343		\$0		\$0	\$38,343	
Logging - Open Hole	31028		32023	\$0		\$0	\$0	
Logging - Cased Hole	31029		32024	\$13,000		\$0	\$13,000	
Coring & Analysis, Drill Stem Test	31030			\$0		\$0	\$0	
Perforating	31031		32026	\$471,200		\$0	\$471,200	
Wireline / Stickline Services	31032		32026	\$16,000		\$0	\$16,000	
Equipment Rental	31033	\$149,500	32027	\$236,600		\$0	\$386,100	
Pumping Services/Rental	31034		32028	\$21,000		\$0	\$21,000	
Acidizing & Fracturing	31035		32029	\$2,176,000		\$0	\$2,176,000	
Coil Tubing Unit	31036		32030	\$120,000		\$0	\$120,000	
Flow Testing, Swabbing	31037		32031	\$95,875		\$0	\$95,875	
Fishing / Sidetrack Services	31038		32032	\$0		\$0	\$0	
Nipple Up / BOP Testing	31039	\$6,400	32033	\$23,000		\$0	\$29,400	
Overhead	31040	\$8,000	32034	\$19,500		\$0	\$27,500	
Wellsite Consulting Services/Supervision	31041	\$159,861	32035	\$163,350	33003	\$20,000	\$343,211	
Engineering / Geological / Lab Service Tracers and diagnostics	31042	\$26,000	32036	\$36,600		\$16,000	\$78,600	
Roustabout / Contract Labor	31043	\$9,480	32037	\$0	33004	\$180,000	\$189,480	
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 / E&H S	31048		32042	\$6,610	33007	\$0	\$6,610	
5.5% Contingency (8% Taxes on Casing included in casing cost)	31049	\$141,202	32043	\$311,200		\$10,000	\$462,402	
NON-OP Drilling Intangible	31050		32044	\$0		\$0	\$0	
Pipeline Installation / Interconnect	31051		32045	\$0	33008	\$0	\$0	
TOTAL INTANGIBLE COSTS				\$5,666,356		\$220,600	\$5,886,956	
TANGIBLE COSTS		ACCT CODE	DRILLING - 311XX	ACCT CODE	COMPLETION - 321XX	ACCT CODE	FACILITIES - 321XX	TOTAL
Conductor	Size	Feet	\$/ft	31101				
Surface Casing	13 3/8"			31102	\$88,600			\$88,600
1st Intermediate Casing / Liner	8 5/8"			31103	\$113,200			\$113,200
2nd Intermediate Casing / Liner				31104				\$0
Production Casing / Liner	5 1/2"	20,760	\$18.00			32101		\$373,600
Casing Tie Back						32102		
Liner Hanger Assembly						32103		
Tubing	2.875	10,000	\$ 8.85			32104		\$88,600
Casing Equipment - OHMS / Etc.				31105	\$26,780	32105		\$31,200
Wellhead Equipment						32106		\$63,750
Pumping Unit / Prime Mover / Base						32107	\$0	\$0
Rods / Pony Rods / Sinker Bars						32108	\$0	\$0
Artificial Lift Other - Gas Lift						32109	\$14,000	\$14,000
Wellhead Equipment Completions - Production Tree						32110	\$43,000	\$43,000
Tanks / Tank Steps / Stairs						32111	\$0	\$66,000
Gas Treating / Dehydration Equipment						32112	\$0	\$0
Separation Equipment, Heater Treater						32113	\$0	\$48,200
Surface Pumps						32114	\$0	\$3,000
Filters						32115	\$0	\$0
Buildings						32116	\$0	\$0
Interconnect Piping / Manifolds / Headers						32117	\$0	\$60,000
Flowlines / Connections / Valves						32118	\$0	\$46,000
Automation / Instruments / Controls / Analyzers						32119	\$0	\$16,000
Electrical Equipment / Generators						32120	\$0	\$92,000
Compressor & Related Equipment						32121	\$0	\$0
Metering Equipment, LACT Unit						32122	\$0	\$104,000
Chemical Equipment / Cathodic Protection						32123	\$0	\$0
Subsurface Equipment - Packer, Plugs, TAC						32124	\$11,000	\$11,000
Safety / E&H S Equipment						32125	\$4,000	\$18,000
NON-OP Drilling Intangible						32126	\$0	\$0
Transfer/SWD Pumps & Equipment						32127	\$0	\$19,000
Flare / Combustor						32128	\$0	\$16,000
Miscellaneous				31106		32129	\$24,410	\$24,410
Contingency Costs				31107	\$11,690	32130	\$26,060	\$37,750
TOTAL TANGIBLE COSTS				\$220,240		\$612,670		\$832,910
TOTAL WELL COSTS				\$2,826,764		\$6,279,056	\$689,720	\$9,695,540
Prepared by: Travis Salinas		Title: Engineer						
This AFE is only an estimate. By returning one signed copy, you agree to pay your share of the actual costs incurred.								
Extra Expense Insurance <input type="checkbox"/> I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.								
<input type="checkbox"/> I elect to purchase my own well control insurance policy.								
either box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance								
Joint Owner Interest: _____ Amount: _____								
Joint Owner Name: _____ Signature: _____								

Catena Resources Operating, LLC – Discussion Timeline

Wells

Mariner 1H well

Catena's conversations with Marathon began on December 6, 2019. From that time on, multiple emails, phone calls, proposals and letters were exchanged. The main contact at Marathon is Jeff Broussard and as of August 3, 2020, dealings with Marathon are ongoing.

15531039_v1

**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. 21459

AFFIDAVIT OF VINCE SMITH

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

1. My name is Vince Smith. I work for Catena Resources Operating, LLC ("Catena") as a Geologist.

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 matter, and I have conducted a geologic study of the lands in the subject area.

4. Catena is initially targeting the Wolfcamp 'A' Lower interval of the Wolfcamp formation. **Exhibit B-1** is a subsea structure map that I prepared for this interval with 25-foot contours. The proposed horizontal well spacing unit is highlighted in red and the initial well is depicted with a green dashed line. The structure map shows the Wolfcamp formation dipping gently to the south. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells in this area.

5. Exhibit B-1 also shows a cross-section line in red running south to north reflecting four (4) wells penetrating the Wolfcamp formation that I used to construct a stratigraphic cross-

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: **Catena Resources Operating, LLC**
Hearing Date: October 08, 2020
Case No. 21459

section from A to A'. These wells contain good logs and I consider them representative of the geology in the subject area.

6. **Exhibit B-2** is a stratigraphic cross-section that I prepared using the logs from the wells noted on Exhibit B-1. Each well in the cross-section contains the gamma ray in the first track, resistivity in the second track and porosity curves in the third track. The initial target interval is labeled and marked. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

7. Based on my geologic study, the Wolfcamp formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will be productive and contribute proportionately to the production from the well.

8. **Exhibit B-1** also shows the orientation of the wells drilled in the Wolfcamp formation in the surrounding area. The stand-up orientation of the proposed well is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.

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

10. **Exhibits B-1** through **B-2** 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 6th day of October 2020 by Vince Smith.



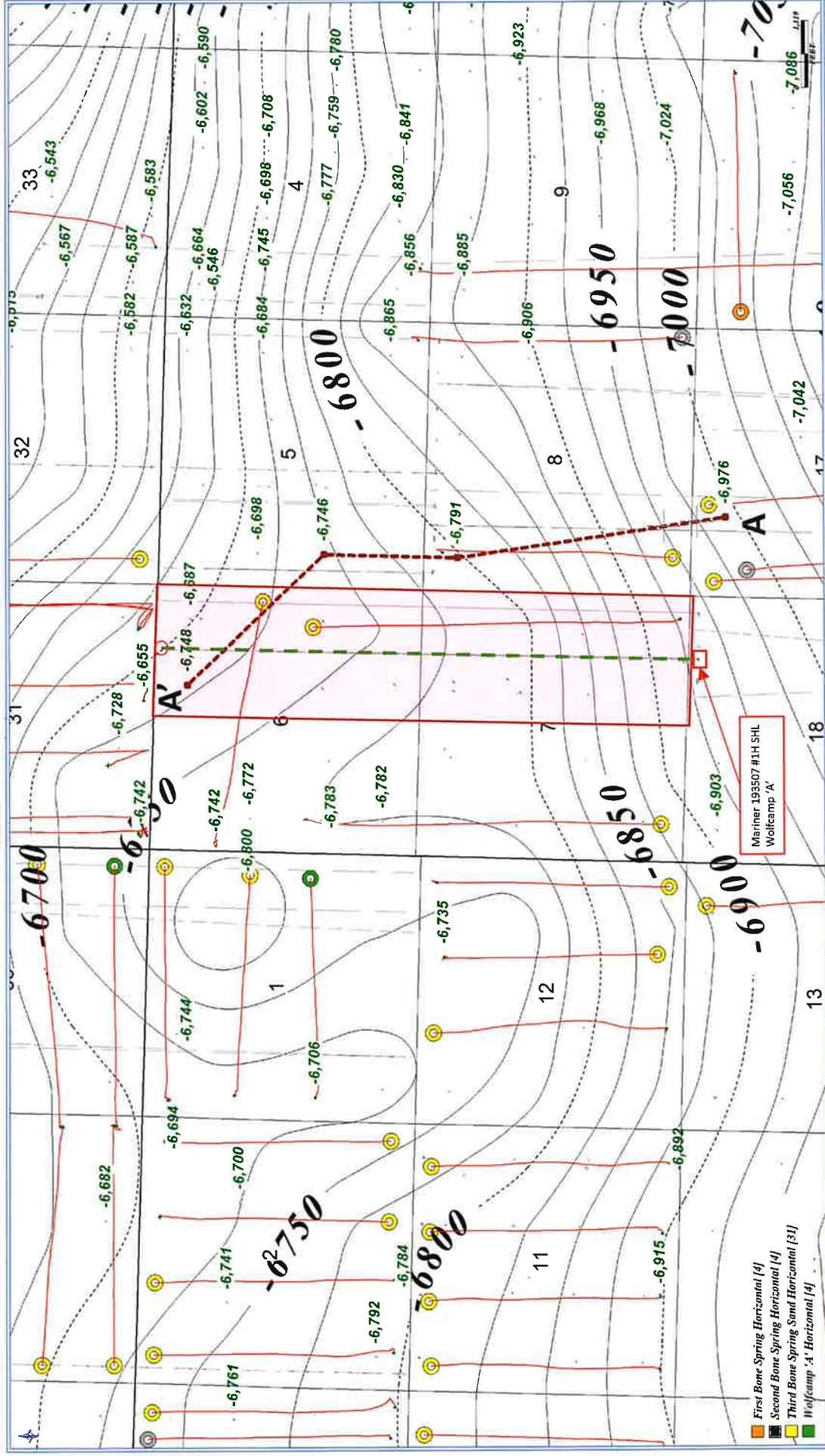
Caitlin Hart
NOTARY PUBLIC

My Commission Expires:

12/5/2023

Wolfcamp 'A'

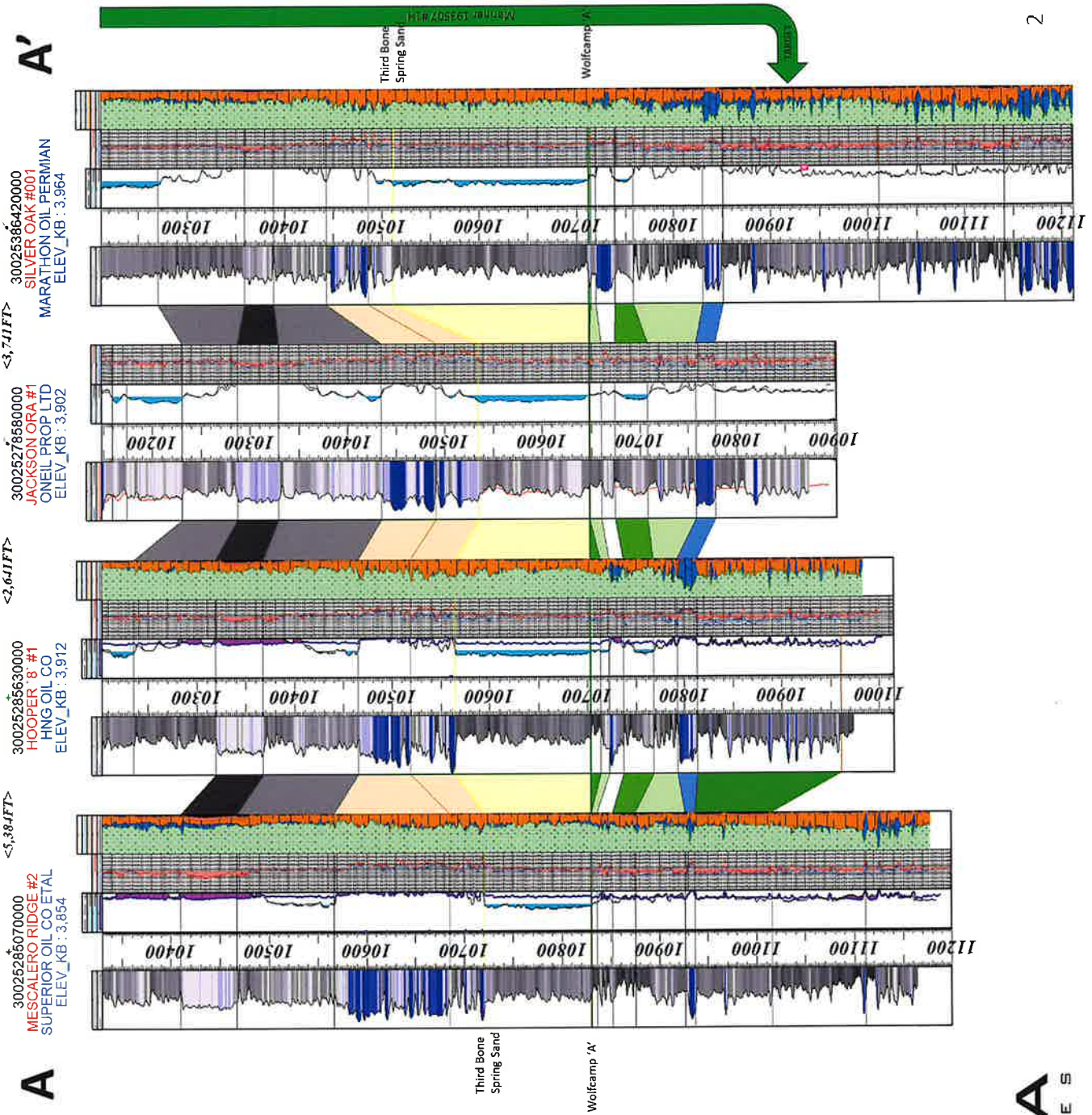
Subsea Structure



Contour Interval = 25'

Wolfcamp 'A' Datum

Cross Section



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B2
 Submitted by: Catena Resources Operating, LLC
 Hearing Date: October 08, 2020
 Case No. 21459



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: **Catena Resources Operating, LLC**
Hearing Date: **October 08, 2020**
Case No. **21459**



Michael H. Feldewert

Phone (505) 988-4421

Fax (505) 983-6043

mfeldewert@hollanhart.com

September 18, 2020

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Catena Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico.
Mariner 193507 1H Well

Ladies & Gentlemen:

This letter is to advise you that COG Operating Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on October 8, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. 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 subsequently challenging this matter.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the Oil Conservation Division "OCD Hearings" website at <http://www.emnrd.state.nm.us/OCD/announcements.html>.

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.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert".

Michael H. Feldewert

**ATTORNEY FOR CATENA RESOURCES OPERATING,
LLC**

Case No. 21459 Postal Delivery Report

9414811898765827198668	COG Operating	600 W Illinois Ave	Midland	TX	79701-4882	Your item was delivered at Sep 22 in MIDLAND, TX 79701.
9414811898765827198156	Prospector LLC	PO Box 429	Roswell	NM	88202-0429	Your item was delivered at Sep 23 in ROSWELL, NM 88201.
9414811898765827198163	Big Three Energy Group LLC	PO Box 429	Roswell	NM	88202-0429	Your item was delivered at Sep 23 in ROSWELL, NM 88201.
9414811898765827198125	Robert C Hooper	PO Box 773	Roswell	NM	88202-0773	Returned
9414811898765827198101	Roy G Barton	1919 N Turner St	Hobbs	NM	88240-2712	In Transit, Arriving Late at Sep 25 in , ,
9414811898765827198149	Marathon Oil Company	PO Box 2069	Houston	TX	77252-2069	Your item was delivered at Sep 22 in HOUSTON, TX 77002.
9414811898765827198187	James I. Riddle	4247 Goodfellow Dr	Dallas	TX	75229-2815	Awaiting Delivery Scan at Sep 22 in ,
9414811898765827198170	Donaldson Brown Trusts c/o Paul J. Haviland	PO Box 1183	Abingdon	MD	21009-6183	In Transit, Arriving Late at Oct 04 in ,
9414811898765827198316	Gabler Investments	1223 N 15th St	Wolfforth	TX	79382-3314	Your item was delivered at Sep 22 in WOLFFORTH, TX 79382.
9414811898765827198354	Merit Energy Partners IV, LP	13727 Noel Rd Ste 1200	Dallas	TX	75240-7362	In Transit, Arriving Late at Sep 25 in , ,
9414811898765827198361	Merit Energy Partners VIII, LP	13727 Noel Rd Ste 1200	Dallas	TX	75240-7362	In Transit, Arriving Late at Sep 25 in , ,
9414811898765827198620	Marathon	PO Box 2069	Houston	TX	77252-2069	Your item was delivered at Sep 22 in HOUSTON, TX 77002.
9414811898765827198323	Merit Energy Partners X, LP	13727 Noel Rd Ste 1200	Dallas	TX	75240-7362	In Transit, Arriving Late at Sep 25 in , ,
9414811898765827198309	Merit Energy Partners E-II, LP	13727 Noel Rd Ste 1200	Dallas	TX	75240-7362	In Transit, Arriving Late at Sep 25 in , ,
9414811898765827198392	Merit Energy Partners F-11 LP	13727 Noel Rd Ste 1200	Dallas	TX	75240-7362	In Transit, Arriving Late at Sep 25 in , ,
9414811898765827198347	Merit Energy Partners G, LP	13727 Noel Rd Ste 1200	Dallas	TX	75240-7362	In Transit, Arriving Late at Sep 25 in , ,
9414811898765827198330	Merit Energy Partners G, LP	13727 Noel Rd Ste 1200	Dallas	TX	75240-7362	In Transit, Arriving Late at Sep 25 in , ,
9414811898765827198378	Curtis W. Mewbourne	PO Box 7698	Tyler	TX	75711-7698	Your item was delivered at Sep 25 in TYLER, TX 75701.

Catena - Mariner 193507 1H

Case No. 21459 Postal Delivery Report

9414811898765827198019	Fort Worth Mineral Co	500 Main St Ste 1200	Fort Worth TX	76102-3926	Your item was delivered at Sep 22 in FORT WORTH, TX 76102.
9414811898765827198606	Oxy	PO Box 4294	Houston TX	77210-4294	Your item was delivered at Sep 22 in HOUSTON, TX 77002.
9414811898765827198699	Mewbourne	500 W Texas Ave Ste 1020	Midland TX	79701-4279	In Transit, Arriving Late at Sep 25 in . .
9414811898765827198644	Read & Stevens, Inc	PO Box 1518	Roswell NM	88202-1518	Your item was delivered at Sep 21 in ROSWELL, NM 88201.
9414811898765827198682	Featherstone	PO Box 429	Roswell NM	88202-0429	Your item was delivered at Sep 23 in ROSWELL, NM 88201.
9414811898765827198637	Resonance Resources Energy	9337B Katy Fwy Ste 315	Houston TX	77024-1515	Your item was delivered at Sep 23 in HOUSTON, TX 77024.
9414811898765827198675	Brian C. Reid & wife, Katherine	2502 Camarie Ave	Midland TX	79705-6309	Your item was delivered at Sep 21 in MIDLAND, TX 79705.
9414811898765827198118	Ross Duncan Properties LLC	PO Box 647	Artesia NM	88211-0647	Your item was delivered at Sep 22 in ARTESIA, NM 88210.

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).

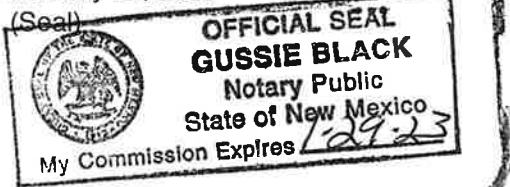
Beginning with the issue dated
September 22, 2020
and ending with the issue dated
September 22, 2020.


Publisher

Sworn and subscribed to before me this
22nd day of September 2020.


Business Manager

My commission expires
January 29, 2023



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

LEGAL NOTICE
September 22, 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 public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on Thursday, **October 8, 2020, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/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 a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than **September 28, 2020**. Persons may view and participate in the hearings through the following link and as indicated below:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e126931b9c49e4f0185ab46b8e33452c9>
Event number: 146 604 0307
Event password: yWJvuXn3q67

Join by video: 1466040307@nmemnrd.webex.com
You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free
Access code: 146 604 0307.

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: All overriding royalty interest owners and pooled parties, including: COG Operating; Marathon; Oxy; Mewbourne; Read & Stevens, Inc; Featherstone; Resonance Resources Energy; Brian C. Reid & wife, Katherine, their heirs and devisees; Ross Duncan Properties LLC; Prospector LLC; Big Three Energy Group LLC; Robert C. Hooper or Robert G. Hooper, his heirs and devisees; Roy G. Barton, his heirs and devisees; Marathon Oil Company; James I. Riddle, his heirs and devisees; Donaldson Brown Trusts; Gabler Energy Investments or Gabler Investments; Merit Energy Partners IV, LP; Merit Energy Partners VIII, LP; Merit Energy Partners X, LP; Merit Energy Partners E-II, LP; Merit Energy Partners F-11 LP; Merit Energy Partners G, LP; Curtis W. Mewbourne, his heirs and devisees; and Fort Worth Mineral Co.

Case No. 21459: 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 Wolfcamp formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 6 and 7, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be initially dedicated to the proposed Mariner 193507 1H well to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 18 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 6. The completed interval for the proposed well will remain within 330 feet of the W/2 E/2 of Sections 6 and 7 to include this offsetting acreage in a standard horizontal well spacing unit. 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 18 miles West of Hobbs, New Mexico.
#35831

67100754

00246574

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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. D

Submitted by: Catena Resources Operating, LLC
Hearing Date: October 08, 2020
Case No. 21459