

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING APRIL 08, 2021**

CASE No. 21777

OMEGA 183533 1H WELL

LEA COUNTY, NEW MEXICO



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

**APPLICATION OF CATENA RESOURCES
OPERATING, LLC TO AMEND ORDER
NO. R-21230, LEA COUNTY, NEW MEXICO.**

CASE NO. 21777

TABLE OF CONTENTS

- Catena Exhibit A** – Application of Catena Resources Operating, LLC to Amend Order No. R-21230, Lea County, New Mexico.
- Catena Exhibit B** – Affidavit of Chris Canon, Land Consultant
- Catena Exhibit C** – Notice Affidavit
- Catena Exhibit D** – Notice of Publication

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

**APPLICATION OF CATENA RESOURCES
OPERATING, LLC TO AMEND ORDER NO.
R-21230, LEA COUNTY, NEW MEXICO.**

**CASE NO. 21777
ORDER NO. R-21230**

APPLICATION

Catena Resources Operating, LLC (“Applicant”) (OGRID No. 328127), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to amend Order No. R-21230 (“Order”) to allow for an extension of time for drilling the proposed initial well under the Order. In support of this application, Catena states:

1. Division Order No. R-21230, entered on April 7, 2020, in Case No. 21091, created 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.
2. Order No. R-21230 further pooled the uncommitted interests in the Bone Spring formation (Scharb; Bone Spring pool [55610]) in the Unit and dedicated the Unit to the initial **Omega 183533 #1H well** (API No. 30-25-pending) 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.
3. Applicant requests that Order No. R-21230 be re-opened and amended to allow Applicant additional time to commence drilling the well under the Order.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit: A
Submitted by: Catena Resources Operating, LLC
Hearing Date: April 08, 2021
Case No. 21777**

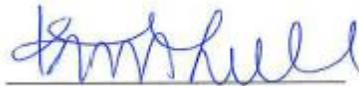
4. There is good cause for Applicant's request for an extension of time to drill due to the change in ownership and management of Catena during 2020. Additionally, the decline in commodity prices in 2020 caused by the global COVID pandemic and other economic factors led to Catena reducing its rig count, thereby causing Catena to delay its intended plans to develop the acreage subject to the Order.

5. Under the Order, Applicant would be required to commence drilling the well by April 7, 2021, and therefore, asks for the deadline to commence drilling the well be extended for a year, to April 7, 2022.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 8, 2021, and, after notice and hearing as required by law, the Division enter an order extending the time for Catena to commence drilling the proposed initial well under the Order.

Respectfully submitted,

HOLLAND & HART LLP



By: _____

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**ATTORNEYS FOR
CATENA RESOURCES OPERATING, LLC**

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

**APPLICATION OF CATENA RESOURCES
OPERATING, LLC TO AMEND ORDER
NO. R-21230, LEA COUNTY, NEW MEXICO.**

CASE NO. 21777

AFFIDAVIT OF CHRIS CANON

Chris Canon, of lawful age and being first duly sworn, declares as follows:

1. My name is Chris Canon. I am a Land Consultant for 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 land manager 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. None of the pooled parties has indicated opposition to this extension application, and therefore I do not expect any opposition at the hearing
5. Under Case No. 21091, the Division entered Order No. R-21230, on April 7, 2020. This Order created 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 (the “Unit”).
6. Order No. R-21230 further pooled the uncommitted interests in the Bone Spring formation (Scharb; Bone Spring pool [55610]) in the Unit and dedicated the Unit to the proposed initial **Omega 183533 #1H well** (API No. 30-25-pending).

7. Catena's change in management, as well as the decline in commodity prices in 2020 caused by the global COVID pandemic and other economic factors, led Catena to delay its intended plans to develop the acreage subject to the Order.

8. The Order required drilling to commence within a year, by April 7, 2021.

9. Catena has not yet commenced drilling the well as required by Order No. R-21230 but anticipates drilling within the next year.

10. Catena therefore requests that the deadline to commence drilling under the pooling order be extended for a year, to April 7, 2022.

11. Catena provided our outside counsel, Holland and Hart, with a list of the working interest owners that remain subject to each pooling order and instructed them to provide notice of this hearing to these pooled working interest owners.

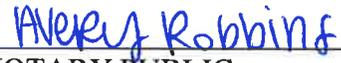
12. None of the working interest owners that remain subject to these pooling orders have been asked at this time to make an election on the applicable well, or to pay their estimated share of the costs to drill, complete and equip the applicable well.

FURTHER AFFIANT SAYETH NOT.

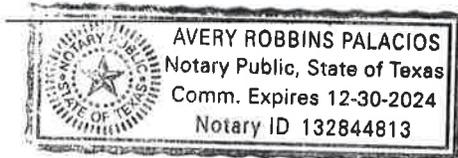

CHRIS CANON

STATE OF TEXAS)
)
COUNTY OF HARRIS)

SUBSCRIBED and SWORN to before me this 6 day of April 2021 by Chris Canon.


NOTARY PUBLIC

My Commission Expires:



March 19, 2021

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

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

Re: Application of Catena Resources Operating, LLC to Amend Order No. R-21230, 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.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on April 8, 2021, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

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 either online or in person at the Division's Santa Fe office 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 Chris Canon at (713) 331-1208, or at canon@percussionpetroleum.com.

Sincerely,



Kaitlyn A. Luck
ATTORNEY FOR CATENA RESOURCES OPERATING,
LLC

Catena - Omega 1H
Case No. 21777 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765898522331	Marathon Oil Company	PO Box 2069	Houston	TX	77252-2069	Your item was picked up at a postal facility at 8:16 am on March 26, 2021 in HOUSTON, TX 77002.
9414811898765898522065	Marathon Oil Permian	5555 San Felipe St	Houston	TX	77056-2701	Your item was delivered to the front desk, reception area, or mail room at 2:06 pm on March 24, 2021 in HOUSTON, TX 77056.
9414811898765898522041	T. H. McElvain Oil & Gas, LLP	1600 Stout St Ste 500	Denver	CO	80202-3137	Your item was delivered to the front desk, reception area, or mail room at 1:45 pm on March 22, 2021 in DENVER, CO 80202.
9414811898765898522416	Thomaston, LLC	1050 17th St Ste 2500	Denver	CO	80265-2080	Your item was delivered to an individual at the address at 12:52 pm on March 23, 2021 in DENVER, CO 80202.

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
March 24, 2021
and ending with the issue dated
March 24, 2021.



Publisher

Sworn and subscribed to before me this
24th day of March 2021.



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 NOTICE
March 24, 2021

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, April 8, 2021, 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 **March 28, 2021**.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e1a53b301b1f6485853e05d5f923df077>

Event number: 187 653 1969

Event password: FvRGmafs933

Join by video: 1876531969@nmemnrd.webex.com

Numeric Password: 490768

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: 187 653 1969

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: Marathon Oil Company; Marathon Oil Permian; T. H. McElvain Oil & Gas, LLP; and Thomaston, LLC.

Case No. 21777: Application of Catena Resources Operating, LLC to Amend Order No. R-21230, Lea County, New Mexico. Applicant in the above-styled cause seeks a year extension of time for drilling the well under Order No. R-21230. The Unit is comprised of 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. Order No. R-21230 dedicated the Unit to the initial **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. Said area is located approximately 20 miles East of Hobbs, New Mexico.
#36322

67100754

00252366

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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit: D

Submitted by: Catena Resources Operating, LLC
Hearing Date: April 08, 2021
Case No. 21777