

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

**CASE No. 21778**

*PARALLEL 193402 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-21319, LEA COUNTY, NEW MEXICO.**

**CASE NO. 21778**

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**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-21319, LEA COUNTY, NEW MEXICO.**

**CASE NO. 21778  
ORDER NO. R-21319**

**APPLICATION**

Catena Resources Operating, LLC (“Applicant” or “Catena”) (OGRID No. 328449), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, to amend Order No. R-21319 (“Order”) to allow for an extension of time for drilling the proposed initial well under the Order. In support of its application, Catena states:

1. Division Order No. R-21319, entered on May 7, 2020, in Case No. 21180, created a standard 324.13-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Section 35, Township 18 South, Range 34 East, and the W/2 W/2 of Section 2, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico (the “Unit”), and designated Catena as operator of the Unit.
2. Order No. R-21319 further pooled the uncommitted interests in the Wolfcamp formation (Airstrip; Wolfcamp pool [970]) in the Unit and dedicated the Unit to the proposed initial **Parallel 193402 #1H well** (API No. 30-025-46715) to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 2 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 35.
3. Applicant requests that Order No. R-21319 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. 21778**

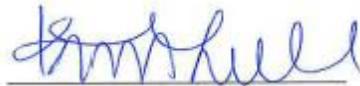
4. There is good cause for Applicant's request for an extension of time to drill due to the change in ownership and management of Catena during 2020. Additionally, the decline in commodity prices in 2020 caused by the global COVID pandemic and other economic factors led to Catena reducing its rig count, 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 May 7, 2021, and therefore, asks for the deadline to commence drilling the well be extended for a year, to May 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: \_\_\_\_\_

Michael H. Feldewert  
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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-21319, LEA COUNTY, NEW MEXICO.**

**CASE NO. 21778**

**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. 21180, the Division entered Order No. R-21319, on May 7, 2020. This Order created a standard 324.13-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Section 35, Township 18 South, Range 34 East, and the W/2 W/2 of Section 2, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico (the “Unit”).

6. Order No. R-21319 further pooled the uncommitted interests in the Wolfcamp formation (Airstrip; Wolfcamp pool [970]) in the Unit and dedicated the Unit to the proposed initial **Parallel 193402 #1H well** (API No. 30-025-46715).

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 May 7, 2021.

9. Catena has not yet commenced drilling the well as required by Order No. R-21319 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 May 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.

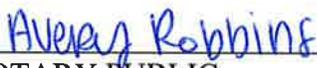
12. None of the working interest owners that remain subject to these pooling orders have been asked at this time to make an election on the applicable well, or to pay their estimated share of the costs to drill, complete and equip the applicable well.

FURTHER AFFIANT SAYETH NOT.

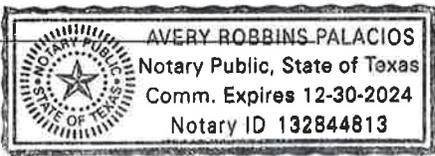
  
CHRIS CANON

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**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Catena Resources Operating, LLC to Amend Order No. R-21319, Lea County, New Mexico.**  
**Parallel 193402 #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 Pubic 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](mailto:canon@percussionpetroleum.com).

Sincerely,



Kaitlyn A. Luck  
**ATTORNEY FOR CATENA RESOURCES OPERATING,  
LLC**

Catena - Parallel  
Case No. 21778 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765898522409	COG Operating LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 8:39 am on March 29, 2021 in MIDLAND, TX 79701.
9414811898765898522485	Concho Oil & Gas LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 8:39 am on March 29, 2021 in MIDLAND, TX 79701.
9414811898765898522508	Nestegg Energy Corporation	2308 Sierra Vista Rd	Artesia	NM	88210-9409	Your item was delivered to an individual at the address at 11:08 am on March 25, 2021 in ARTESIA, NM 88210.
9414811898765898522584	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.

# 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](mailto: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](mailto: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](mailto: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: COG Operating LLC; Concho Oil & Gas LLC; Nestegg Energy Corporation; and T.H. McElvain Oil & Gas, LLP.**

**Case No. 21778: Application of Catena Resources Operating, LLC to Amend Order No. R-21319, Lea County, New Mexico.** Applicant in the above-styled cause seeks a year extension of time for drilling the well under Order No. R-21319. The Unit is comprised of the Wolfcamp formation underlying a standard 324.13-acre, more or less, horizontal spacing unit in the W/2 W/2 of Section 35, Township 18 South, Range 34 East, and the W/2 W/2 of Section 2, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. Order No. R-21319 dedicated the Unit to the initial **Parallel 193402 #1H well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 2 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 35. Said area is located approximately 20 miles East of Hobbs, New Mexico.  
#36324

67100754

00252368

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. 21778