

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: 21777

APPLICATION OF CATENA RESOURCES
OPERATING LLC TO AMEND ORDER R-21230,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
APRIL 8, 2021
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
WILLIAM BRANCARD and TECHNICAL EXAMINER DEAN McCLURE on
Thursday, April 8, 2021, through the Webex 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:

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

For Marathon Permian LLC:

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

I N D E X

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1 HEARING EXAMINER BRANCARD: With that I will call
2 Case 21777, Catena Resources. Holland & Hart?

3 MS. LUCK: Good morning. Kaitlyn Luck with the
4 Santa Fe office of Holland & Hart on behalf of the applicant
5 in this case, Catena Resources Operating LLC.

6 HEARING EXAMINER BRANCARD: Okay. And I believe
7 we have an entry from Marathon?

8 MS. BENNETT: Good morning. Deana Bennett on
9 behalf of Marathon Oil Permian LLC.

10 HEARING EXAMINER BRANCARD: Okay. And Ms.
11 Bennett, are you here in what capacity? Do you object to
12 this being taken by affidavit?

13 MS. BENNETT: No, we do not. Thank you for
14 asking. We do not object to the case being taken under
15 consideration by affidavit. I'm just here to protect
16 Marathon's rights -- to preserve our right in case if
17 necessary.

18 HEARING EXAMINER BRANCARD: Okay. Are there any
19 other appearances in this matter, 21777?

20 (No audible response.)

21 HEARING EXAMINER BRANCARD: Hearing none, Ms.
22 Luck, you may proceed.

23 MS. LUCK: Thank you. In this case Catena
24 Resources seeks to amend Order Number R-21230 and because
25 Catena understood there was no opposition to this case

1 proceeding by affidavit, it filed with the Division its
2 exhibits on Tuesday which include the affidavit of Chris
3 Canon. He is the land consultant of Catena. His affidavit
4 is included in Exhibit B in the packet that was filed with
5 the Division. He has previously testified before the
6 Division and his credentials have been accepted.

7 His affidavit reflects that the Division order,
8 the Division entered Order Number 21230 which created a 280
9 acre horizontal spacing unit which is comprised of the W/2
10 of the NW/4 of Section 33, the W/2 of the W/2 of Section 28
11 and the SW/4 of the SW/4 of Section 21, all in Township 18
12 South, Range 35 East in Lea County, New Mexico. This
13 spacing unit was dedicated to the Omega well and will be in
14 the Bone Spring formation.

15 Mr. Canon's affidavit goes on to explain that due
16 to a change in management at Catena, as well as the economic
17 factors in 2020, drilling this well has been delayed, and so
18 Catena seeks a year extension of the drilling requirement
19 under the order.

20 Under the order the drilling requirement was to
21 drill the well by April 7, and so Catena had filed this
22 application understanding that if the application was filed
23 prior to the drilling extension, the Division would consider
24 it timely.

25 And so his affidavit goes on to explain that

1 Catena is seeking a one-year extension until April 7 of
2 2022. And finally he also states that none of the partners
3 have elected or been required to pay their share of well
4 costs which supports Catena's request for the drilling
5 extension in this case.

6 Also in the exhibit packet there is an exhibit
7 reflecting that notice was provided to the working interest
8 owners who were pooled under the pooling order, and also
9 notice of the hearing was published in the newspaper of
10 general circulation where these wells -- excuse me -- where
11 this well is located. So with that I would move the
12 admission of Exhibits A through D and request that this case
13 be taken under advisement.

14 HEARING EXAMINER BRANCARD: Thank you. Mr.
15 McClure, any questions?

16 TECHNICAL EXAMINER McCLURE: No, Mr. Brancard, I
17 have no questions for this case.

18 HEARING EXAMINER BRANCARD: Okay. Any other
19 concerns any of the parties?

20 (No audible response.)

21 HEARING EXAMINER BRANCARD: Marathon?

22 (No audible response.)

23 MS. BENNETT: No questions. Sorry, I was on
24 mute.

25 HEARING EXAMINER BRANCARD: Thank you. Okay.

1 With that, the exhibits will be admitted and Case 21777 will
2 be taken under advisement. Thank you.

3 (Exhibits admitted.)

4 (Taken under advisement.)

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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, CCR 253, do hereby certify that I reported the
8 foregoing virtual proceedings in stenographic shorthand and
9 that the foregoing pages are a true and correct transcript
10 of those proceedings to the best of my ability.

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

15 I FURTHER CERTIFY that the Virtual Proceeding was
16 of poor to good quality.

17 Dated this 8th day of April 2021.

18

/s/ Irene Delgado

19

Irene Delgado, NMCCR 253
License Expires: 12-31-21

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