

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: 21778, 21779

APPLICATION OF CATENA RESOURCES OPERATING
LLC TO AMEND ORDERS NOS R-21319 AND R-21347,
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
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1 A P P E A R A N C E S

2 For the Applicant:

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8 For Marathon Permian LLC:

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14 For Mewbourne Oil:

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22 I N D E X

23 CASE CALLED

24 SUMMARY OF CASE AND EXHIBITS 03

25 TAKEN UNDER ADVISEMENT 06

REPORTER CERTIFICATE 07

26

27 E X H I B I T I N D E X

28 Admitted

29 Exhibits and Attachments 06

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1 HEARING EXAMINER BRANCARD: Call case 21778, also
2 Catena Resources, Holland & Hart.

3 MS. LUCK: That's correct. Kaitlyn Luck with the
4 Santa Fe Office of Holland & Hart on behalf of the applicant
5 in this case, Catena Resources Operating.

6 And if you would like, we can consolidate the
7 last two cases just because all three of these cases follow
8 the same format, and I can explain the differences in
9 acreage under the two orders and different drilling
10 expiration and different extensions if you like.

11 HEARING EXAMINER BRANCARD: Marathon?

12 MS. BENNETT: Good morning, Deana Bennett on
13 behalf of Marathon Oil Permian LLC, and Marathon does not
14 object to the cases going by affidavit or being consolidated
15 and is only entering its appearance to monitor the cases and
16 preserve its rights if necessary. Thank you.

17 HEARING EXAMINER BRANCARD: Are there any other
18 entries for these two cases?

19 (No audible response.)

20 HEARING EXAMINER BRANCARD: Hearing none, Ms.
21 Luck, you may proceed with the two cases consolidated.

22 MS. LUCK: Thank you. In both of these cases
23 Catena also understood there would be no opposition to the
24 cases proceeding by affidavit, so Catena filed the exhibit
25 packets with the Division on Tuesday. The exhibits both

1 follow the same format with the application as Exhibit A,
2 the landman affidavit as Exhibit B and the notice
3 information included as Exhibits C and D.

4 So starting off with the affidavit of Mr. Canon
5 in Case 21778, his affidavit explains that Catena is seeking
6 to amend order 21319 which created a Standard 324.13
7 horizontal spacing unit comprised of the west W/2 of the W/2
8 of Section 35, in Township 18 South, Range 34 East, and the
9 W/2 W/2 of Section 2 in Township 19 South, Range 34 East,
10 and this is all in Lea County, New Mexico.

11 This unit pools the interests in the Wolfcamp
12 formation and dedicated the unit to the Parallel 1H well.
13 The API number is provided in Mr. Canon's affidavit. His
14 affidavit goes on to explain that similar to the previous
15 case, that Catena is seeking a one year drilling extension,
16 and this order originally expires on May 7 of 2021, so
17 Catena is requesting an extension to May 7 of 2022.

18 Again, in this case none of the working interest
19 owners subject to the pooling order have been required to
20 make an election or pay their share of well costs at this
21 point.

22 And then turning to Case 21779, the affidavit of
23 Mr. Canon reflects that Catena is seeking to amend Order
24 21347. And that order created a standard 200 -- excuse
25 me -- 320 acre horizontal spacing unit in the E/2 of the W/2

1 of Section 5 in Township 19 South, Range 35 East, and the
2 E/2 of the W/2 of Section 32 in Township 18 South, Range 35
3 East, and this is all in Lea County, New Mexico.

4 That order will be interest in the Bone Spring
5 formation and dedicated the unit to the initial Foxtail 1H
6 well. The API number is provided in Mr. Canon's affidavit,
7 and his affidavit reflects that Catena is seeking a one-year
8 drilling extension from June 5 of 2021 to June 5 of 2022 for
9 the same reason as previously stated. And again, none of
10 the working interest owners subject to the pooling order
11 have been required to elect or pay.

12 And then finally, I would just like to mention
13 that for both of these cases the notice information reflects
14 that notice of the hearing was timely provided and complies
15 with the Division's requirements.

16 So with that, I would move the admission of both
17 of these cases, 21778 and 21779 and the accompanying
18 Exhibits A through D.

19 HEARING EXAMINER BRANCARD: Thank you. Mr.
20 McClure, any questions?

21 TECHNICAL EXAMINER McCLURE: I have no questions
22 regarding these cases, Mr. Brancard.

23 HEARING EXAMINER BRANCARD: Thank you. Ms.
24 Bennett, any questions or comments?

25 DEAN DEAN: No questions or comments. Thank you

1 very much, Mr. Examiner.

2 MR. BRUCE: Mr. Brancard, this is Jim Bruce
3 again. Late yesterday I filed an entry of appearance for
4 Mewbourne Oil Company, and they have no objection to
5 anything. It was simply Mewbourne's understanding that they
6 were notified in Case 21779, but it was my understanding
7 that they no longer own an interest, and that's why I'm
8 filing, just to cover basis.

9 HEARING EXAMINER BRANCARD: Thank you, Mr. Bruce.
10 So are you only filed in 21779?

11 MR. BRUCE: Correct.

12 HEARING EXAMINER BRANCARD: Thank you. With
13 that, the exhibits in case 21778 and 21779 will be admitted
14 and the cases will be taken under advisement.

15 MS. LUCK: Thank you.

16 (Exhibits admitted.)

17 (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.

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/s/ Irene Delgado

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

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