

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:

APPLICATION OF CATENA RESOURCES OPERATING, LLC  
FOR COMPULSORY POOLING  
LEA COUNTY, NEW MEXICO

Case No. 22739, 22740

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
June 2, 2022  
SANTA FE, NEW MEXICO

This matter came on for virtual hearing  
before the New Mexico Oil Conservation Division,  
HEARING OFFICER WILLIAM BRANCARD and TECHNICAL  
HEARING OFFICER JOHN GARCIA on Thursday, June 2,  
2022, through the Webex Platform.

Reported by:                   PAUL BACA COURT REPORTERS  
500 4th Street, NW, Suite 105  
Albuquerque, New Mexico 87102  
505-843-9241

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A P P E A R A N C E S

For Catena Resources Operating, LLC:

HINKLE SHANOR LLP  
PO Box 2068  
Santa Fe, New Mexico 87504-2068  
505-982-4554  
BY: JACLYN McLEAN  
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EXHIBITS

NUMBER	PAGE ADMITTED
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C	8

1 HEARING OFFICER BRANCARD: I call  
2 Cases 22739, 22740, Catena Resources Operating.

3 MS. McLEAN: Good morning. Jaclyn McLean  
4 with Hinkle Shanor on behalf of Catena Resources  
5 Operating.

6 HEARING OFFICER BRANCARD: Okay. Please  
7 speak a little louder, Ms. McLean.

8 MS. McLEAN: Can you hear me better now?

9 HEARING OFFICER BRANCARD: I can.

10 MS. McLEAN: Great.

11 HEARING OFFICER BRANCARD: Are there any  
12 other interested persons for Cases 22739, 22740?

13 Hearing none, we may proceed.

14 MS. McLEAN: Thank you. In Case  
15 Number 22739, Catena seeks a pooling order in the  
16 Scharb Bone Spring pool formation, Pool Code 55610,  
17 in the west half/east half of Section 5, Township 19  
18 South, Range 35 East and the west half/east half of  
19 Section 32, Township 18 South, Range 35, East Lea  
20 County, New Mexico.

21 And in Case Number 22740, Catena seeks a  
22 pooling order in the Scharb Bone Spring pool  
23 formation in the east half/east half of Section 5,  
24 Township 19 South, Range 35 East and the east  
25 half/east half of Section 32, Township 18 South,

1 Range 35 East.

2 And specifically, Catena seeks an order  
3 pooling all uncommitted interests within Bone Spring  
4 formation underlying a 320-acre standard horizontal  
5 spacing unit comprised of the west half/east half  
6 and east half/east half sections of Sections 5 and  
7 32. And seeks to dedicate this unit to its Foxtail  
8 W2E2 32 05 B1 State Com 1H well and the Foxtail E2E2  
9 32 05 B1 State Com 1H well.

10 And in the exhibit packets that were  
11 submitted to the Division, we include that  
12 compulsory pooling checklist, Exhibit A, the land  
13 professional's testimony and related exhibits;  
14 Exhibit B, geologist testimony and related geology  
15 exhibits; and Exhibit C, the notice affidavit that  
16 includes a sample notice letter.

17 When our office sent it to all the  
18 interested parties a chart that shows when notice  
19 was sent to the interested parties and when the  
20 certified mail receipts were returned, and then an  
21 affidavit of publication for May 12, 2022.

22 And with that, I ask that Exhibits A, B  
23 and C be admitted into the record. And that  
24 Cases 22739 and 227, or 22740 be taken under  
25 advisement.

1 HEARING OFFICER BRANCARD: Thank you.

2 Mr. Garcia, questions?

3 TECHNICAL HEARING OFFICER GARCIA: I have  
4 a few. In both cases you are seeking to compulsory  
5 pool 320 acres, but your C102s are for 160 acres,  
6 one-mile wells. I think that's an error that needs  
7 to be fixed.

8 And just one other question, I guess, what  
9 does, "Open," mean on Exhibit A3? It says, "Open  
10 interest 9.13 percent."

11 I guess I have never seen, "Open," before,  
12 so is that like unleased or --

13 MS. McLEAN: One -- so can you -- the CI02  
14 that you're referring to is -- I'm just pulling it  
15 up here.

16 TECHNICAL HEARING OFFICER GARCIA: It's  
17 Page 108 of the PDF packet on Case 22739. Same  
18 issue in the other case, I just don't know the page  
19 number.

20 MS. McLEAN: Mine states 320 dedicated  
21 acre.

22 TECHNICAL HEARING OFFICER GARCIA: So it  
23 does say 320 but the drawing only reflects 160.

24 MS. McLEAN: Okay. I see what you're  
25 saying.

1           TECHNICAL HEARING OFFICER GARCIA: Each of  
2 those squares is 40 acres and it's only taking up  
3 four of them.

4           MS. McLEAN: What I -- okay, I'll have to  
5 look at that and then we can supplement that to you  
6 guys, no problem.

7           And what was the other question?

8           TECHNICAL HEARING OFFICER GARCIA: The  
9 following page on Exhibit A3 it has, "Open interest  
10 9.13 percent."

11           I guess I just don't know what, "Open,"  
12 means. Does that mean like unleased?

13           MS. McLEAN: Yes, that means unleased.  
14 And, "Open," means unleased. And I think that  
15 you're just looking at the C102. I don't think it  
16 shows all of the squares for that area, but we can  
17 supplement to make it, you know, more specific.

18           TECHNICAL HEARING OFFICER GARCIA: Thank  
19 you. I believe that's my questions, Bill.

20           HEARING OFFICER BRANCARD: Thank you. And  
21 so, Ms. McLean, when you're redoing your C102 for  
22 Case 22740, the drawing has two bottom hole  
23 locations. So I think that --

24           MS. McLEAN: Oh, yes.

25           HEARING OFFICER BRANCARD: I think that

1 bottom should be first take point.

2 MS. McLEAN: You're right.

3 HEARING OFFICER BRANCARD: It shouldn't be  
4 a hundred feet from north line, it should be a  
5 hundred feet from south line.

6 MS. McLEAN: Making note of that as well.

7 HEARING OFFICER BRANCARD: Thank you.

8 All right. Are there any other interested  
9 persons, then, for Cases 22739, 22740?

10 Seeing none, the exhibits will be admitted  
11 into the record. These cases will be taken under  
12 advisement with the proviso that Catena submits  
13 corrected C102s for each application.

14 MS. McLEAN: Thank you, Hearing Examiner.

15 HEARING OFFICER BRANCARD: Thank you.

16 (Matter concluded.)

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REPORTER'S CERTIFICATE

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I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees and format comply with those prescribed by the Court and the Judicial Conference of the United States.

Date: June 2, 2022

/s/ Edwina Castillo

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EDWINA CASTILLO, RPR, CCR  
Certified Court Reporter #407  
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