

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: 22860

APPLICATION OF CATENA RESOURCES
OPERATING, LLC TO POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-22131,
LEA COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
JULY 7, 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 EXAMINER DEAN McCLURE on
Thursday, July 7, 2022, through the Webex Platform.

Reported by: PAUL BACA PROFESSIONAL COURT REPORTERS
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A P P E A R A N C E S

JACLYN McLEAN
HINKLE SHANOR LLP
P.O. Box 0268
Santa Fe, NM 87504
505-982-4554

I N D E X

CASE CALLED

CONTINUED

07

REPORTER CERTIFICATE

08

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

Admitted

Exhibits and Attachments

07

1 HEARING EXAMINER BRANCARD: With that we are on
2 Item 62, Case 22860, Catena Resource Operating.

3 MS. McLEAN: Jackie McLean with Hinkle Shanor on
4 behalf of Catena.

5 HEARING EXAMINER BRANCARD: Are there any other
6 interested appearances for Case 22860?

7 (No audible response.)

8 HEARING EXAMINER BRANCARD: Hearing none, please
9 proceed, Ms. McLean.

10 MS. McLEAN: Thank you, in Case 22860, Catena
11 seeks an order pooling additional uncommitted interests
12 under the terms of Division Order Number R-22131. On May 9,
13 2022, the Division entered Order Number R-22131 in case
14 Number 22630 which pooled all uncommitted interest in the
15 Scharb Wolfcamp Pool within the Wolfcamp formation,
16 underlying a 640 acre horizontal spacing unit, comprised of
17 the E/2 of Section 5, Township 19 South, Range 35 East, and
18 the E/2 of Section 32, Township 18 South, Range 35 East in
19 Lea County, New Mexico.

20 And the order dedicated the unit to the Foxtail
21 E2 05 32 W1 State Com 1H well and designated Catena as the
22 operator. Now following the entry of the order, Catena
23 identified an additional uncommitted interest to the unit
24 that should be pooled under the terms of Order Number
25 R-22131.

1 And the exhibit packet submitted to the Division
2 contains Exhibit A, which is the land professional's
3 testimony and related land exhibits, the Order R-22131 which
4 we seek to amend, and the plat of tract ownership interest
5 and uncommitted interests to be pooled as well as the sample
6 well proposal letters, AFE and chronology of contacts.

7 And then Exhibit B is a notice affidavit which
8 sets out when the notice letter of this hearing and
9 application was sent to all the interested parties, as well
10 as a chart which sets out the date that everything was
11 mailed and the date we received the return, with the
12 supporting green cards to support that chart.

13 And then finally Exhibit D-3, which is the notice
14 affidavit showing that we timely published in the Hobbs News
15 Sun on June 17, 2022.

16 And with that, unless there are any questions, I
17 ask that the exhibits be admitted into the record and that
18 Case Number 22860 be taken under advisement.

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

21 TECHNICAL EXAMINER McCLURE: No questions for
22 this case, Mr. Brancard.

23 HEARING EXAMINER BRANCARD: Okay. Okay, Ms.
24 McLean, here is the problem, this involves E/2 of Section 5
25 of one township, and then the E/2 of Section 32 which is in

1 a different township. That's all correct in your
2 application and checklist, but in the notice paragraph that
3 was submitted, which you had published also in the newspaper
4 notification, it indicates that Section 5 and 32 are in the
5 same township.

6 MS. McLEAN: I see that. And then, yeah, their
7 application is correct, so our notice appears to be
8 incorrect.

9 HEARING EXAMINER BRANCARD: Okay. So we've got
10 two notice problems, one in the newspaper notice and the
11 other is notice paragraph you submit to Hobbs which then
12 goes into our official notice and you know that docketed
13 publication.

14 MS. McLEAN: Right.

15 HEARING EXAMINER BRANCARD: So you need to submit
16 a new paragraph with the correct legal description. As far
17 as the newspaper notice, it seems you are only notifying two
18 parties.

19 MS. McLEAN: That's correct.

20 HEARING EXAMINER BRANCARD: You seem to have
21 gotten the green card back from one party, but not from the
22 second party.

23 MS. McLEAN: That's correct. And we checked the
24 USPS tracking, and it said "in transit to next facility,"
25 and the last update we have received on that was June 10, so

1 I don't really know what that means.

2 HEARING EXAMINER BRANCARD: I don't know. I
3 mean, if you got the green card back, then you don't need
4 the newspaper --

5 MS. McLEAN: Correct.

6 HEARING EXAMINER BRANCARD: So we are going to
7 continue this case so we can get our docket sheet have the
8 correct paragraph which you will provide to us. And then
9 you either provide a new newspaper notification or we will
10 we will wait until you get a green card.

11 MS. McLEAN: We will continue it and then we will
12 probably republish unless, you know, something miraculously
13 appears.

14 HEARING EXAMINER BRANCARD: All right. So why
15 don't we then -- August 4, is that enough time?

16 MS. McLEAN: That should give us enough time to
17 get the publication notice out.

18 HEARING EXAMINER BRANCARD: So we will continue
19 this case to August 4 to resolve the notice issues, and you
20 should file a continuance with us. And you should
21 immediately get us the correct paragraph so we can put that
22 in our docket sheet.

23 MS. McLEAN: Yes, we will do that. Thank you.

24 HEARING EXAMINER BRANCARD: Thank you. Are there
25 any other comments in Case 22860?

1 (No audible response.)

2 HEARING EXAMINER BRANCARD: The case will be
3 continued to August 4. The exhibits that were submitted
4 today will be admitted into the record.

5 MS. McLEAN: Thank you.

6 (Exhibits admitted.)

7 (Continued.)

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

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

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

16 Dated this 7th day of July 2022.

17

/s/ Irene Delgado

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Court Reporter
License Expires: 12-31-22

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