

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: 21455

APPLICATION OF STEWARD ENERGY II LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

OCTOBER 8, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER FELICIA ORTH and TECHNICAL EXAMINERS LEONARD LOWE and KURT SIMMONS on Thursday, October 8, 2020, 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:

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

I N D E X

CASE CALLED

SUMMARY OF CASE AND EXHIBITS 03

TAKEN UNDER ADVISEMENT 05

REPORTER CERTIFICATE 06

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

Admitted

All Exhibits and Attachments 05

1 HEARING EXAMINER ORTH: Let's move then to the
2 next matter. This is 21455, Steward Energy, compulsory
3 pooling application. Well name is Combo Fee. And, Ms.
4 Hardy, are you here from Hinkle Shanor for the applicant?

5 MS. HARDY: Yes, I am. Dana Hardy with Hinkle
6 Shanor on behalf of Steward Energy II LLC.

7 HEARING EXAMINER ORTH: Thank you. Let me pause
8 a moment to see if there are any other appearances this
9 morning?

10 (No audible response.)

11 HEARING EXAMINER ORTH: I hear nothing. Please
12 go ahead.

13 MS. HARDY: Thank you. In this case Steward
14 seeks an order pooling all uncommitted mineral interests in
15 the San Andres formation, in a 160-acre, more or less,
16 standard horizontal spacing unit comprised of the E/2 of the
17 E/2 of Section 22, Township 13 South, Range 38 East, in Lea
18 County, and proposes to dedicate the unit to the Combo Fee
19 Number 1H well.

20 We have provided with our exhibits the
21 self-affirmed statement of landman Taylor Warren. That is
22 Exhibit A to your packet. And Mr. Warren discusses the land
23 issues and provides the exhibits that are required by the
24 compulsory pooling checklist, and he discusses the notice
25 process for the hearing.

1 Notice was sent by certified mail in a timely
2 manner. And those letters and return receipts are attached
3 as Exhibit A-11 to his affidavit. And we also did publish
4 notice timely. The affidavit of publication is provided as
5 A-12. And we have several unlocatable parties. We did have
6 addresses for some of them, but we weren't sure they were
7 good addresses, so we did publish in any event and covered
8 all of the parties.

9 We have also provided Exhibit B, which is the
10 self-affirmed statement of geologist Shane Seals, and he
11 provides all the information that's required by the
12 checklist, including a cross section, regional location map,
13 gunbarrel schematic and structure map.

14 And we did also provide the compulsory pooling
15 checklist. So with that I would request that the exhibits
16 be accepted into the record and that the case be taken under
17 advisement.

18 HEARING EXAMINER ORTH: Thank you, Ms. Hardy.
19 Mr. Simmons, do you have any questions of Ms.
20 Hardy?

21 TECHNICAL EXAMINER SIMMONS: Everything appears
22 to be in order. Thank you.

23 HEARING EXAMINER ORTH: Thank you. Mr. Lowe left
24 the meeting, so in that case, Ms. Hardy, your exhibits will
25 be accepted and the matter will be taken under advisement.

1 MS. HARDY: Thank you very much.
2 (Exhibits admitted.)
3 (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 October 2020.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-20

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