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## 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 STEWARD ENERGY II, for Compulsory Pooling, Lea County, New Mexico

Case No. 22405

## REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, JANUARY 6, 2022

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, John Garcia Technical Examiner, on Thursday, January 6, 2022, via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department.

Reported by: Mary Therese Macfarlane New Mexico CCR #122 PAUL BACA COURT REPORTERS 500 Fourth Street NW, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 A P P E A R A N C E S. 1 2 FOR STEWARD ENERGY II, LLC: 3 Dana S. Hardy, Esq. Hinkle Shanor, LLP 4 P.O. Box 2068 Santa Fe, NM 87504-2068 5 (505) 982-4544. dhardy@hinklelawfirm.com б 7 CONTENTS 8 CASE NO. 22405 PAGE CASE CALLED: 3 9 TAKEN UNDER ADVISEMENT: 10 4 11 12 INDEX OF EXHIBITS STEWARD ENERGY II, LLC EXHIBITS 13 ADMITTED 14 Self-Affirmed Statement of Tyler Warren 4 Α 15 Application and Proposed Notice of Hearing 4 A-1 16 A-2 C-102 4 17 A-3 Plat of Tracts, Ownership Interests, 4 Pooled Parties, Unit Recapitulation 18 A-4 Sample Well Proposal Letter 4 19 A-5 Summary of Communications 4 20 A-6 Hearing Notice Letter and Return Receipts 4 21 A-7 Affidavit of Publication 4 22 Self-Affirmed Statement of Shane Seals 4 В 23 B-1 Location Map, Structure Map, 4 Gunbarrel Schematic 24 25 B-2 Cross Section 4

Page 3 1 (Time noted 10:38 a.m.) 2 EXAMINER BRANCARD: With that I have Cases 3 22405, 22406, Steward Energy. 4 MS. HARDY: Mr. Examiner, Dana Hardy of the Santa Fe office of Hinkle Shanor on behalf of Steward 5 6 Energy 11, LLC. 7 EXAMINER BRANCARD: Are these cases to be 8 consolidated? MS. HARDY: I'd like to present them 9 sequentially, Mr. Examiner, since they involve different 10 11 acreage. 12 EXAMINER BRANCARD: Any other interested persons 13 then for Case 22405? 14 Hearing none, you may proceed, Ms. Hardy. 15 MS. HARDY: Thank you. Steward seeks an Order 16 pooling the uncommitted mineral interest in the San Andres Formation underlying a 320-acre, more or less, horizontal 17 spacing unit comprised of the west half of Section 27, 18 Township 13, Range 38 East in Lea County. The unit will 19 be dedicated to the Vamonos Fee No. 5H. 20 21 Well we have provided in support of the 22 application the of Landman Taylor Warren and Geologist 23 Shane Seals. 24 Mr. Warren provides the standard land 25 exhibits, and Exhibit A-3 to his affidavit provides the

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Page 4 Tract Ownership and identifies the pooled parties. 1 2 Hearing Notice Letter and Return Receipts 3 are provided in Exhibit A-6, and we did publish Notice timely, and the Affidavit of Publication is provided in 4 Exhibit A-7. 5 Mr. Seals' affidavit provides the standard 6 7 geology exhibits that include a Location Map, Structure 8 Map, Cross Section and Gun Barrel. 9 With that, unless there are questions, I request that the exhibits be admitted into the record and 10 that the case be taken under advisement. 11 12 EXAMINER BRANCARD: Thank you. 13 Mr. Garcia, any questions. 14 EXAMINER GARCIA: I have no questions. 15 EXAMINER BRANCARD: Any other interested persons 16 here for Case 22405? Hearing none, the exhibits will be admitted 17 into the record and Case 22405 will be taken under 18 advisement. 19 20 MS. HARDY: Thank you. 21 (Time noted 10:38 a.m.) 22 23 24 25

	Page 5
1	STATE OF NEW MEXICO )
2	: ss
3	COUNTY OF TAOS )
4	
5	REPORTER'S CERTIFICATE
6	I, MARY THERESE MACFARLANE, New Mexico Reporter
7	CCR No. 122, DO HEREBY CERTIFY that on Thursday,
8	January 6, 2022, the proceedings in the above-captioned
9	matter were taken before me; that I did report in
10	stenographic shorthand the proceedings set forth herein,
11	and the foregoing pages are a true and correct
12	transcription to the best of my ability and control.
13	I FURTHER CERTIFY that I am neither employed by
14	nor related to nor contracted with (unless excepted by the
15	rules) any of the parties or attorneys in this case, and
16	that I have no interest whatsoever in the final
17	disposition of this case in any court.
18	/s/ Mary MacFarlane
19	
20	MARY THERESE MACFARLANE, CCR NM Certified Court Reporter No. 122
21	License Expires: 12/31/2022
22	
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