

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF STEWARD ENERGY II, LLC
FOR COMPULSORY POOLING AND
APPROVAL OF OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO**

CASE NO. 24171

PRE-HEARING STATEMENT

Steward Energy II, LLC (“Steward” or “Applicant”) submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division (“Division”).

APPEARANCES

APPLICANT

Steward Energy II, LLC

ATTORNEYS

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INTERESTED PARTIES

None at this time.

ATTORNEYS

STATEMENT OF THE CASE

Steward seeks an order pooling all uncommitted interests within the San Andres formation underlying a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 E/2 of Sections 15 and 22, Township 13 South, Range 38 East, Lea County, New Mexico (“Unit”). The Unit will be dedicated to the **Walt Junior Fee 3H** well (“Well”), which will be

drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 10 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 22.

The Unit will partially overlap with the spacing unit for the Babineaux Fee #1H well (API #30-025-50790) and the Babineaux Fee #2H well (API #30-025-48744), which are located in the E/2 of Section 15, Township 13 South, Range 38 East, Lea County, and produce from the Bronco; San Andres, South Pool (Code 7500). The Unit will also partially overlap with the spacing unit for the Combo Fee #2H well (API #30-025-49480), which is located in the W/2 E/2 of Section 22, Township 13 South, Range 38 East, Lea County and produces from the Bronco; San Andres, South Pool (Code 7500).

Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well.

The Well is located approximately 14.1 miles southeast of Tatum, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Taylor Warren	Landman	Affidavit	Approx. 5
Shane Seals	Geologist	Affidavit	Approx. 3

PROCEDURAL MATTERS

Applicant will present this matter by affidavit if there is no opposition to its application.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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QUESTIONS

Action 319156

QUESTIONS

Operator: STEWARD ENERGY II, LLC 420 Throckmorton Fort Worth, TX 76102	OGRID: 371682
	Action Number: 319156
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.