

**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. 24496

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

Dana S. Hardy
Jaclyn M. McLean
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com

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 irregular Sections 11 and 14, Township 13 South, Range 38 East, Lea County, New Mexico (“Unit”). The Unit will be dedicated to the **Gale-Fring Federal 3H** well (“Well”), which

will be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 14.

The Unit will partially overlap with the spacing unit for the Gale Federal #002H well (API #30-025-52292), which is located in the E/2 of irregular Section 11, Township 13 South, Range 38 East, Lea County, and produces from the Bronco; San Andres, South Pool (Code 7500). The Unit will also partially overlap with the spacing unit for the Fring Federal #2H well (API #30-025-50202), which is located in the W/2 E/2 and Lots 1, 2, 3, and 4 of irregular Section 14, 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 14.8 miles southeast of Tatum, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Taylor Warren	Landman	Affidavit	Approx. 5
James Vess	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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Jaclyn M. McLean

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Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

Counsel for Steward Energy II, LLC

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 351655

QUESTIONS

Operator: STEWARD ENERGY II, LLC 420 Throckmorton Fort Worth, TX 76102	OGRID: 371682
	Action Number: 351655
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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