Page 1

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, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 22570

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS EXAMINER HEARING MARCH 3, 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, March 3, 2022, through the Webex Platform.

Reported by: I

Irene Delgado, NMCCR 253 PAUL BACA PROFESSIONAL COURT REPORTERS 500 Fourth Street, NW, Suite 105 Albuquerque, NM 87102 505-843-9241

Page 2 APPEARANCES For the Applicant: JACLYN MCLEAN HINKLE SHANOR LLP P.O. Box 0268 Santa Fe, NM 87504 505-982-4554 INDEX CASE CALLED SUMMARY OF CASE AND EXHIBITS TAKEN UNDER ADVISEMENT REPORTER CERTIFICATE EXHIBIT INDEX Admitted All Exhibits and Attachments

Page 3 1 HEARING EXAMINER BRANCARD: With that, on Item 48 on our worksheet, Case 22570, Steward Energy? 2 3 MS. HARDY: Mr. Examiner, Dana Hardy with Hinkle 4 Shanor on behalf the Steward Energy, and I would like to introduce my law partner, Jackie McLean, who is working with 5 6 me on OCD matters. And Ms. McLean is going to present this 7 case, so we are hoping for no hazing here. 8 MS. McLEAN: Thanks, Dana. Good morning. Jackie 9 McLean with Hinkle Shanor on behalf of Steward Energy. And 10 in Case Number 22570 --HEARING EXAMINER BRANCARD: Ms. McLean, let me 11 12 first see if there is anyone else who wants to make an entry 13 of appearance today in Case 22570. 14 (No audible response.) 15 HEARING EXAMINER BRANCARD: Hearing none, you may proceed. 16 17 MS. McLEAN: Thank you. In Case 22570, Steward Energy seeks a pooling order in the Bronco San Andres South 18 Pool, Pool Code 7500 within the San Andres formation in the 19 E/2 of Section 28, Township 13 South, Range 38 East in Lea 20 County, New Mexico. 21 22 Specifically, Steward is seeking an order pooling all uncommitted interests within the San Andres Formation 23 24 underlying a 320 acre standard horizontal spacing unit 25 comprised of the E/2 of Section 28 and seeks to dedicate

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Page 4 this unit to its Gray Matter Number 2H well. And this is 1 2 also a proximity tract spacing unit. The exhibit packet submitted to the Division for 3 4 this case contains the compulsory pooling checklist, which is Exhibit A, which is landman Taylor Warren's testimony and 5 related land exhibits. 6 7 Exhibit B, which is geologist Shane Seals' 8 testimony and related geology exhibits, and then Exhibit A-6 9 and A-7 are sample notice of hearing letters and affidavit 10 of publication showing we timely published notice and that all notice requirements have been met. 11 12 And with that, I would ask that Exhibits A and 13 its attachments, A-1 through A-7, and Exhibit B and its attachments B-1 through B-6 be admitted into the record and 14 15 that Case Number 225790 be taken under advisement. HEARING EXAMINER BRANCARD: Thank you. 16 Mr. McClure, questions? 17 18 TECHNICAL EXAMINER McCLURE: No questions. HEARING EXAMINER BRANCARD: We have a whole lot 19 of interest owners here, but it appears we have timely 20 newspaper publication, so I do not have any questions. 21 22 Are there any other interested persons then for Case 22570? 23 24 (No audible response.) 25 HEARING EXAMINER BRANCARD: Hearing none, in Case

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Page 5 22570 the exhibits will be admitted into the record and the case will be taken under advisement. Congratulations. MS. McLEAN: Thank you. (Exhibits admitted.) (Taken under advisement.) б

	Page 6
1	STATE OF NEW MEXICO
2	COUNTY OF BERNALILLO
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4	REPORTER'S CERTIFICATE
5	I, IRENE DELGADO, New Mexico Certified Court
6	Reporter, CCR 253, 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 extremely poor to good quality.
16	Dated this 3rd day of March 2022.
17	/s/ Irene Delgado
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19	Irene Delgado, NMCCR 253 License Expires: 12-31-22
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