

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
POOL ADDITIONAL INTEREST OWNERS
LEA COUNTY, NEW MEXICO

Case No. 22823

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
June 2, 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
HEARING OFFICER JOHN GARCIA on Thursday, June 2,
2022, through the Webex Platform.

Reported by: PAUL BACA COURT REPORTERS
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A P P E A R A N C E S

For Steward Energy II, LLC:

HINKLE SHANOR LLP
PO Box 2068
Santa Fe, New Mexico 87504-2068
505-982-4554
BY: JACLYN McLEAN
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EXHIBITS

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1 HEARING OFFICER BRANCARD: Thank you.
2 With that, we're on Item 60, Case 22823 Steward
3 Energy.

4 TECHNICAL HEARING OFFICER GARCIA: Jackie
5 McLean with Hinkle Shanor on behalf of Steward
6 Energy.

7 HEARING OFFICER BRANCARD: Are there any
8 other interested persons for Case 22823?

9 Hearing none, you may proceed, Ms. McLean.

10 MS. McLEAN: Thank you.

11 In Case Number 22823 Steward seeks to pool
12 one additional interest owner under Order
13 Number R-22051.

14 On February 23rd, 2022, the Division
15 entered Order R-22051 in Case Number 22476, which
16 pooled all uncommitted interest in the San Andres
17 South pool underlying a 320-acre, more or less,
18 standard horizontal spacing unit comprised of the
19 west half of Section 15, Township 13 South, Range 38
20 East, Lea County, New Mexico.

21 The order dedicated the unit to the Huell
22 Fee Number 5H well and designated Steward as the
23 operator of the unit and well.

24 And after the entry of the order, Steward
25 identified one mineral interest owner whose interest

1 should be pooled under the order. And if you look
2 at Exhibit A5, which is the chronology of contract,
3 chronology of contacts, I'm sorry, you'll see that
4 that one, and see that what needs to be pooled under
5 the existing order is Suzanne Davis, LP which owns
6 3.51 percent of an unleased mineral interest within
7 the unit.

8 And on December 12, 2022 the Suzanne
9 Davis, LP oil and gas lease expired and Steward has
10 attempted to reach an agreement since the expiration
11 of the oil and gas lease. And this is all set out
12 in Exhibit A5, which is attached to the land
13 professional's testimony.

14 And Suzanne Davis did receive a well
15 proposal letter, AFE and timely notice of the
16 hearing. And the exhibit packet submitted to the
17 Division for Case Number 22823 contains Exhibit A,
18 which is the land professional's testimony and
19 related land exhibits, which include the order that
20 Steward is seeking to reopen, the plotted tracts,
21 ownership interest, and the additional uncommitted
22 interest to be pooled under the terms of the order
23 as well as the well proposal letter to Suzanne
24 Davis, LP and the summary of communications, which I
25 mentioned earlier.

1 And then Exhibit B is a notice affidavit
2 which sets out when the notice letter was sent out,
3 and applications were sent to Suzanne Davis, LP.

4 We received a signed green card back,
5 which is Exhibit B2, but it was not dated. And then
6 we also went ahead and published in the Hobbs New
7 Sun on May 10, 2022.

8 And with that, I ask that Exhibits A and B
9 be admitted into the record in Case Number 22823 and
10 that Case Number 22823 be taken under advisement.

11 HEARING OFFICER BRANCARD: Thank you.

12 Mr. Garcia, any questions?

13 TECHNICAL HEARING EXAMINER GARCIA: I have
14 no questions.

15 HEARING OFFICER BRANCARD: I don't have
16 any questions either.

17 Are there any interested persons for
18 Case 22823?

19 Hearing none, the exhibits will be
20 admitted into the record and Case 22823 will be
21 taken under advisement.

22 MS. McLEAN: Thank you.

23 (Matter concluded.)

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REPORTER'S CERTIFICATE

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I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees and format comply with those prescribed by the Court and the Judicial Conference of the United States.

Date: June 2, 2022

/s/ Edwina Castillo

EDWINA CASTILLO, RPR, CCR
Certified Court Reporter #407
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