

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

**APPLICATION OF STEWARD ENERGY II, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NO. 22734

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Steward Energy II, LLC

ATTORNEYS

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INTERESTED PARTIES

No other parties of record.

ATTORNEYS

STATEMENT OF THE CASE

Steward seeks an order pooling all uncommitted interests within the San Andres formation underlying a 253.5-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 and Lots 1, 2, 3, and 4 (E/2 equivalent) of irregular Section 14, Township 13 South, Range 38 East, Lea County, New Mexico (“Unit”). The Unit will be dedicated to the Fring Fed #2H well (“Well”), which will be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 23 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 14. The completed interval of the Well will be within 330’ of the line separating the W/2 E/2 and E/2 E/2 of Section

14 to allow for the formation of a 253.5-acre standard horizontal spacing unit. The completed interval of the Well will be orthodox. 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 15 miles southeast of Tatum, New Mexico.

PROPOSED EVIDENCE

<u>Witness</u>	<u>Occupation</u>	<u>Estimated Time</u>	<u>Exhibits</u>
Taylor Warren	Landman	Affidavit	Approx. 5
Shane Seals	Geologist	Affidavit	Approx. 2

PROCEDURAL MATTERS

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

Respectfully submitted,

HINKLE SHANOR, LLP

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

QUESTIONS

Action 102626

QUESTIONS

Operator: V-F PETROLEUM INC P.O. Box 1889 Midland, TX 79702	OGRID: 24010
	Action Number: 102626
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	2
Testimony time (in minutes)	0