

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:

CASE NOS: 22319

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
DECEMBER 2, 2021  
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER WILLIAM BRANCARD and TECHNICAL EXAMINERS DEAN McCLURE and DYLAN ROSE-COSS on Thursday, December 2, 2021, through the Webex Platform.

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

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A P P E A R A N C E S

For the Applicant:

MICHAEL RODRIGUEZ  
HINKLE SHANOR LLP  
P.O. Box 0268  
Santa Fe, NM 87504  
505-982-4554

I N D E X

CASE CALLED

SUMMARY OF CASE AND EXHIBITS 03

TAKEN UNDER ADVISEMENT 05

REPORTER CERTIFICATE 06

E X H I B I T I N D E X

Admitted

Exhibits and Attachments 05

1 HEARING EXAMINER BRANCARD: Call Case 22319,  
2 Steward Energy.

3 MR. RODRIGUEZ: Michael Rodriguez with Hinkle  
4 Shanor on behalf of the applicant, Steward Energy.

5 HEARING EXAMINER BRANCARD: Are there any other  
6 interested persons for Case 22319?

7 (No audible response.)

8 HEARING EXAMINER BRANCARD: Hearing none, you may  
9 proceed, Mr. Rodriguez.

10 MR. RODRIGUEZ: Thank you. In this case Steward  
11 is seeking an order pooling all uncommitted interest in the  
12 Bronco San Andres South Pool, pool code 7500, underlying a  
13 320 acre, more or less, standard horizontal spacing unit  
14 comprised of the W/2 of Section 22, Township 13 South, Range  
15 38 East in Lea County, New Mexico.

16 Steward seeks to dedicate this unit to Roof Pizza  
17 Number 5H Well. And likewise exhibit packets have been  
18 submitted to the Division in this case contains the  
19 compulsory pooling checklist, Exhibit A, which is the  
20 landman's testimony and related attachments, Exhibit B which  
21 is the geologist's exhibit and related attachments, and  
22 attachments A-6 and A-7 are sample notice of hearing letters  
23 and affidavits of publication reflecting that all notice  
24 requirements have been met.

25 And with that I ask that Exhibits A, B and their

1 related attachments be admitted into the record and Case  
2 Number 22319 BE taken under advisement.

3 HEARING EXAMINER BRANCARD: Thank you. Mr.  
4 Rose-Coss, any questions?

5 TECHNICAL EXAMINER ROSE-COSS: I suppose my  
6 question aren't necessarily strictly related to the  
7 compulsory pooling matter at hand, but for my general  
8 understanding, these -- these are going to be additional  
9 like a full development to an existing San Andres claim? Is  
10 there -- does CBS permit full development in the San Andres  
11 in this area?

12 MR. RODRIGUEZ: I'm not aware of that. I could  
13 follow up with the client and let you know, but as far as I  
14 understand, these are just stand-up horizontal wells that  
15 are being proposed today.

16 TECHNICAL EXAMINER ROSE-COSS: That was my only  
17 question. I suppose stuff that I have sometimes -- these  
18 horizontal wells in old vertical fields, is there ever any  
19 risk of colliding or, or kind of essentially hurting the  
20 output production of the old vertical wells. But in terms  
21 of the content of this compulsory pooling application, I  
22 don't have any more specific questions than those comments  
23 or thoughts on the matter.

24 MR. RODRIGUEZ: If you would like, Mr. Coss, I  
25 can ask the applicant to provide a more comprehensive answer

1 to you on the communication between those wells or if is  
2 there is any potential. But my understanding, I wasn't made  
3 aware there was any issues like that.

4 TECHNICAL EXAMINER ROSE-COSS: Okay. I won't  
5 trouble them, but that's my curiosity. Rod.

6 MR. RODRIGUEZ: I will keep that in mind. Thank  
7 you.

8 HEARING EXAMINER BRANCARD: Well, those are  
9 important issues. We may be able to deal with them at a  
10 later stage, through the APD, perhaps.

11 MR. RODRIGUEZ: Sure.

12 HEARING EXAMINER BRANCARD: Thank you. Any  
13 further comments on Case 22319?

14 (No audible response.)

15 HEARING EXAMINER BRANCARD: Hearing none, the  
16 exhibits are admitted into the record and Case 22319 is  
17 taken under advisement.

18 MR. RODRIGUEZ: Thank you.

19 (Exhibits admitted.)

20 (Taken under advisement.)

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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court  
7 Reporter, CCR 253, do hereby certify that I reported the  
8 foregoing virtual proceedings in stenographic shorthand and  
9 that the foregoing pages are a true and correct transcript  
10 of those proceedings to the best of my ability.

11 I FURTHER CERTIFY that I am neither employed by  
12 nor related to any of the parties or attorneys in this case  
13 and that I have no interest in the final disposition of this  
14 case.

15 I FURTHER CERTIFY that the Virtual Proceeding was  
16 of reasonable quality.

17 Dated this 2nd day of December 2021.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253  
License Expires: 12-31-21

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