

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,
for Compulsory Pooling,
Lea County, New Mexico

Case No. 22406

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, JANUARY 6, 2022

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, John Garcia Technical Examiner, on Thursday, January 6 2022, via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department

Reported by: Mary Therese Macfarlane
New Mexico CCR #122
PAUL BACA COURT REPORTERS
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

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A P P E A R A N C E S .

FOR STEWARD ENERGY II, LLC:

Dana S. Hardy, Esq.
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C O N T E N T S .

CASE NO. 22406	PAGE
CASE CALLED:	3
TAKEN UNDER ADVISEMENT:	5

I N D E X O F E X H I B I T S

STEWARD ENERGY II, LLC EXHIBITS	ADMITTED
A Self-Affirmed Statement of Tyler Warren	5
A-1 Application and Proposed Notice of Hearing	5
A-2 C-102	5
A-3 Plat of Tracts, Ownership Interests, Pooled Parties, Unit Recapitulation	5
A-4 Sample Well Proposal Letter	5
A-5 Summary of Communications	5
A-6 Hearing Notice Letter and Return Receipts	5
A-7 Affidavit of Publication	5
B Self-Affirmed Statement of Shane Seals	5
B-1 Location Map, Structure Map, Gunbarrel Schematic	5
B-2 Cross Section	5

1 (Time noted 10:38 a.m.)

2 EXAMINER BRANCARD: With that is Case 22406,
3 Steward Energy.

4 MS. HARDY: Yes, Mr. Examiner. Dana Hardy on
5 behalf of Steward.

6 EXAMINER BRANCARD: Are there any other
7 interested persons here for Case 22406?

8 Hearing none, you may proceed, Ms. Hardy.

9 MS. HARDY: Thank you. Steward seeks an Order
10 pooling all uncommitted mineral interests within the San
11 Andres Formation underlying a 160-acre standard horizontal
12 spacing unit comprised of the southwest quarter of the
13 northwest quarter and west half of the southwest quarter
14 of Section 23, and the northwest quarter of the northwest
15 quarter of Section 26, Township 12 South, Range 38 East in
16 Lea County, and proposes to dedicate the unit to the
17 Trinity State Com 16-23 #5H well.

18 We've provided in support of the
19 application the affidavits of landman Taylor Warren and
20 geologist Shane Seals. Mr. Warren provides the standard
21 land exhibits, and A-3 to his affidavit provides the tract
22 ownership and identifies the pooled parties. The Hearing
23 Notice Letter and Return Receipts are included in Exhibit
24 A-6, and the Affidavit of Publication is provided in
25 Exhibit A-7.

1 Mr. Seals' affidavit provides the standard
2 geology exhibits: A Location Map, Structure Map, Cross
3 Section and Gun Barrel.

4 Unless there are questions I request that
5 the exhibits be admitted into the record and that the case
6 be taken under advisement.

7 EXAMINER BRANCARD: Thank you.

8 Mr. Garcia, any questions?

9 EXAMINER GARCIA: Do your exhibits contain
10 explanation that the northwest quarter of the north
11 quarter are moved out and if it's going to be stranded in
12 the top 40 acres in Section 21? I can't read it above the
13 northwest of the (inaudible)

14 MS. HARDY Our exhibits don't address that
15 issue. I believe it is because the acreage had been
16 developed or is included and of is included in another
17 spacing unit. But I can verify that, if you would like.

18 EXAMINER GARCIA: Yeah, if you would get
19 something showing that, that would be great.

20 MS. HARDY: I will. Thank you.

21 EXAMINER BRANCARD: With that, Case No. 22406,
22 the exhibits will be admitted and the case will be taken
23 under advisement.

24 But Ms. Hardy, you're going to address
25 potential stranding of acreage here?

1 MS. HARDY: That's correct. I will do that, Mr.
2 Examiner.

3 EXAMINER GARCIA: I ask it also addresses the,
4 uh, (inaudible) below the first take point, too, just
5 because only one 40-acre tract (inaudible) half the
6 section?

7 MS. HARDY: Thank you. I will do that.

8 EXAMINER BRANCARD: Anything further, Mr.
9 Garcia?

10 EXAMINER GARCIA: No, that's it. Thank you.

11 EXAMINER BRANCARD: Thank you.

12 (Time noted 10:39 a.m.)

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1 STATE OF NEW MEXICO)

2 : ss

3 COUNTY OF TAOS)

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter

7

CCR No. 122, DO HEREBY CERTIFY that on Thursday,

8

January 6, 2022, the proceedings in the above-captioned

9

matter were taken before me; that I did report in

10

stenographic shorthand the proceedings set forth herein,

11

and the foregoing pages are a true and correct

12

transcription to the best of my ability and control.

13

I FURTHER CERTIFY that I am neither employed by

14

nor related to nor contracted with (unless excepted by the

15

rules) any of the parties or attorneys in this case, and

16

that I have no interest whatsoever in the final

17

disposition of this case in any court.

18

/s/ Mary MacFarlane

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MARY THERESE MACFARLANE, CCR

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NM Certified Court Reporter No. 122

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