

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. 22734

TRANSCRIPT OF PROCEEDINGS

May 5, 2022

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq., Hearing Examiner, Dean McClure, Technical Examiner, on May 5th, 2022, via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department

REPORTED BY: SHANON R. MYERS, CCR, RPR, CRR, RMR, CRC
CCR No. 275
PAUL BACA COURT REPORTERS
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102
(505) 843-9241

A P P E A R A N C E S

For Steward Energy II, LLC:

HINKLE, SHANOR, LLP
P.O. Box 2068
Santa Fe, NM 87504-2068
(505) 982-4554
jmclean@hinklelawfirm.com

BY: JACLYN McLEAN

I N D E X

Case called	3:1
Summary of case and exhibits	3:11
Taken under advisement	5:5
Court Reporter's Certificate	6:1

1 (Time noted as 9:38 a.m.)

2 EXAMINER BRANCARD: All right. Well, let's try
3 two more before a break here. Case 22734, Number 48 on
4 toed's worksheet, Steward Energy.

5 MS. McLEAN: Good morning, Mr. Examiner. Jackie
6 McLean again, with Hinkle Shanor, on behalf of Steward
7 Energy.

8 EXAMINER BRANCARD: Thank you. Are there any
9 other interested persons for Case 22734?

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

11 MS. McLEAN: Thank you. In Case Number 22734,
12 Steward seeks to pool all uncommitted interests within the
13 San Andres formation underlying a 253.5-acre, more or less,
14 standard horizontal spacing unit comprised of the W/2 E/2
15 and Lots 1, 2, 3 and 4, which is the E/2 equivalent, of
16 irregular Section 14, Township 13 South, Range 38 East, in
17 Lea County, New Mexico. This spacing unit will be dedicated
18 to the Fring Fed #2H well, which will be horizontally
19 drilled from a surface hole location in the NE/4 NE/4 Lot 1
20 of Section 23, to a bottom hole location in the NW/4 NE/4
21 Unit B of Section 14. And this is a proximity tract well
22 with the completed interval of the well within 330 feet of
23 the line separating the W/2 E/2 and the E/2 E/2 of
24 Section 14 to allow for the formation of the 253.5-acre
25 standard horizontal spacing unit.

1 The exhibit packets that we submitted to the Division
2 for Case Number 22734 contain Exhibit A, which is land
3 professional Taylor Warren's testimony and related land
4 exhibits, which include the plot of tracts, ownership
5 interest, pooled parties, a well proposal letter, and a
6 summary of communications. And then Exhibit B, Shane Seal's
7 geology testimony, which includes a location map, structure
8 map, gun barrel schematic, and a cross-section of the
9 intervals and interest. And then Exhibit C, which is a
10 notice affidavit which sets out when the notice letter of
11 this hearing and application, were sent to the parties to be
12 pooled, and there were only two parties, and both received
13 the notice letter as set out in Exhibit C2; and we also
14 published notice of this hearing, which is Exhibit C4.

15 And with that, I ask that Exhibits A, B and C be
16 admitted into the record and Case Number 22734 -- and that
17 Case Number 22734 be taken under advisement.

18 EXAMINER BRANCARD: Thank you.

19 Mr. McClure, questions?

20 TECHNICAL EXAMINER MCCLURE: I have no questions
21 here, Mr. Brancard.

22 EXAMINER BRANCARD: All right.

23 Ms. McLean, so you only have one well proposed for
24 this unit?

25 MS. McLEAN: That's correct.

1 EXAMINER BRANCARD: Have you been thinking about
2 infill wells?

3 MS. McLEAN: I'm not sure. I would have to ask
4 the client what their plans are going forward.

5 EXAMINER BRANCARD: Well, you know, we do want you
6 to get as much hydrocarbons out of the ground near the Texas
7 border, so --

8 All right. Are there any other interested persons,
9 then, for Case 22734? Hearing none, the exhibits will be
10 admitted into the record, and Case 22734 will be taken under
11 advisement.

12 MS. McLEAN: Thank you.

13 (Proceedings concluded at 9:43 a.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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REPORTER'S CERTIFICATE

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I, SHANON R. MYERS, New Mexico Certified Court
8 Reporter, CCR #275, do hereby certify that I reported the
9 foregoing virtual proceedings in stenographic shorthand and
10 that the foregoing pages are a true and correct transcript
11 of those proceedings to the best of my ability.

12

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

16

I FURTHER CERTIFY that the virtual proceeding was
17 of extremely poor to good quality.

18

Dated this 2nd day of June 2022.

19

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/s/ Shanon R. Myers

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SHANON R. MYERS, CCR, RPR, CRR, RMR, CRC
License Expires: 12/31/22

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