

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

APPLICATION OF STEWARD ENERGY II,
LLC TO POOL ADDITIONAL INTEREST
OWNERS UNDER ORDER NO. R-21691
LEA COUNTY, NEW MEXICO.

CASE NO. 22320
ORDER NO. R-21691 (Re-Open)

EXHIBIT INDEX

Exhibit A	Self-Affirmed Statement of Taylor Warren
A-1	Application & Proposed Notice of Hearing
A-2	Division Order No. R-21691
A-3	Plat of Tracts, Ownership Interests, Pooled Parties, Unit Recapitulation
A-4	Hearing Notice Letter and Return Receipts
A-5	Affidavit of Publication

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OIL CONSERVATION DIVISION

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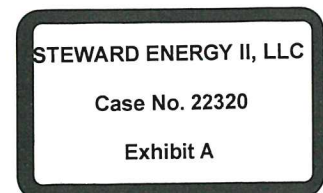
CASE NO. 22320
ORDER NO. R-21691 (Re-Open)

**SELF-AFFIRMED STATEMENT
OF TAYLOR WARREN**

1. I am the Land Manager for Steward Energy II, LLC (“Steward”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the Division, and my qualifications as an expert in petroleum land matters were accepted. I am familiar with the above-referenced application and the land matters involved. Copies of this application and proposed hearing notice are attached as **Exhibit A-1**.

2. On May 17, 2021, the Division entered Order No. R-21691 (“Order”) in Case No. 21841 which pooled all uncommitted interests in the Bronco; San Andres, South Pool (Pool Code 7500) within the San Andres formation in a 480-acre, more or less, standard horizontal spacing unit comprised of the SW/4 of Section 11 and the W/2 of Section 14, Township 13 South, Range 38 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Gustavo Fee #5H well (“Well”) and designated Applicant as operator of the Unit and Well. A copy of the Order is attached as **Exhibit A-2**.

3. Since entry of the Order, Applicant has identified additional unleased mineral interest owners in the Unit that have not been pooled under the terms of the Order.



4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional unleased mineral interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from the owners.

5. **Exhibit A-3** contains a plat of the unit, the unleased mineral interests Steward seeks to pool in yellow and a unit recapitulation.

6. Applicant has sought and been unable to locate the unleased mineral interest owners.

7. Notice of this application and the Division hearing was provided to the last known addresses of the interested parties entitled to notice at least 20 days prior to the hearing date. A sample notice letter and associated receipts are attached as **Exhibit A-4**.

8. Notice of this application and the Division hearing was published more than ten business days prior to the hearing date. The affidavit of publication is attached as **Exhibit A-5**.

9. The exhibits to my Self-Affirmed Statement were either prepared by me or under my supervision or were compiled from company business records.

10. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 9 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.


Taylor Warren

11-29-2021
Date

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

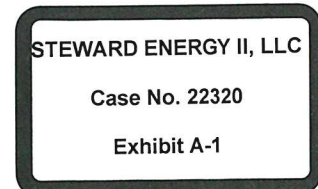
APPLICATION OF STEWARD ENERGY II,
LLC TO POOL ADDITIONAL INTEREST
OWNERS UNDER ORDER NO. R-21691
LEA COUNTY, NEW MEXICO.

CASE NO. 22320
ORDER NO. R-21691 (Re-Open)

APPLICATION

Pursuant to NMSA § 70-2-17, Steward Energy II, LLC (“Applicant”) (OGRID No. 371682) files this application with the Oil Conservation Division (“Division”) for the limited purpose of pooling additional unleased mineral interest owners under the terms of Division Order No. R-21691. Applicant states the following in support of its application:

1. On May 17, 2021, the Division entered Order No. R-21691 (“Order”) in Case No. 21841 which pooled all uncommitted interests in the Bronco; San Andres, South Pool (Pool Code 7500) within the San Andres formation in a 480-acre, more or less, standard horizontal spacing unit comprised of the SW/4 of Section 11 and the W/2 of Section 14, Township 13 South, Range 38 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Gustavo Fee #5H well (“Well”) and designated Applicant as operator of the Unit and Well.
2. Since entry of the Order, Applicant has identified additional unleased mineral interest owners in the Unit that have not been pooled under the terms of the Order.
3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional unleased mineral interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from the owners.
4. Applicant has sought and been unable to locate the unleased mineral interest owners.



5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional mineral interest owners should be pooled into the Unit pursuant to terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Oil Conservation Division on December 2, 2021 and after notice and hearing as required by law, the Division pool the additional unleased mineral interest owners into the Unit pursuant to the terms of Division Order No. R-21691.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy
Dana S. Hardy
Michael Rodriguez
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
dhardy@hinklelawfirm.com
mrodriguez@hinklelawfirm.com
Counsel for Steward Energy II, LLC

Application of Steward Energy II, LLC to Pool Additional Interest Owners Under Order No. R-21691, Lea County, New Mexico. Applicant seeks to pool additional unleased mineral interest owners under the terms of Division Order No. R-21691. On May 17, 2021, the Division entered Order No. R-21691 (“Order”) in Case No. 21841, which pooled all uncommitted interests in the Bronco; San Andres, South Pool (Pool Code 7500) within the San Andres formation in a 480-acre, more or less, standard horizontal spacing unit comprised of the SW/4 of Section 11 and the W/2 of Section 14, Township 13 South, Range 38 East, Lea County, New Mexico (“Unit”). The Order further dedicated the Unit to the Gustavo Fee #5H well (“Well”) and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional unleased mineral interest owners in the Unit that have not been pooled under the terms of the Order. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional unleased mineral interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from the owners. Applicant has sought and been unable to locate the unleased mineral interest owners. The Well is located approximately 14 miles east of McDonald, New Mexico.

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

IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
STEWART ENGERY II, LLC

CASE NO. 21841
ORDER NO. R-21691

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard these matters through a Hearing Examiner on May 6, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Orders:

FINDINGS OF FACT

1. Stewart Energy II, LLC (“Operator”), submitted an application (“Application”) to compulsorily pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

STEWART ENERGY II, LLC
Case No. 22320
Exhibit A-2

- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of

the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR
AES/kms

Date: 5/17/2021

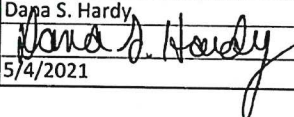
CASE NO. 21841
ORDER NO. R-21691

Page 5 of 7

Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case No.:	21841
Hearing Date:	5/6/2021
Applicant	Steward Energy II, LLC
Designated Operator & OGRID	371682
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Steward Energy II, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	N/A
Well Family	Gustavo
Formation/Pool	
Formation Name(s) or Vertical Extent	San Andres
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	San Andres
Pool Name and Pool Code	Bronco; San Andres, South Pool; Code 7500
Well Location Setback Rules	Statewide
Spacing Unit Size	480 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480 acres
Building Blocks	quarter-quarter
Orientation	Standup
Description: TRS/County	SW/4 of Section 11 and W/2 of Section 14, Township 13 South, Range 38 East, Lea County
Standard Horizontal Well Spacing Unit (Y/N), if No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	The completed interval of the Gustavo Fee #5H well will be within 330' of the line separating the W/2W/2 and the E/2W/2 of Sections 11 and 14 to allow inclusion of this acreage within a standard 480-acre HSU.
Proximity Defining Well: if yes, description	Gustavo Fee #5H well
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Gustavo Fee #5H (API # pending) SHL: 204' FWL & 219' FNL, Unit D, Section 23, T13S-R38E BHL: 1275' FWL & 2534' FSL, Unit L, Section 11, T13S-R38E Completion Target: San Andres (Approx. 5500' TVD)
Horizontal Well First and Last Take Points	Exhibit A-5
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	6500
Production Supervision/Month \$	650
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-7
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit A-8
Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibits A-3, A-4

CASE NO. 21841
ORDER NO. R-21691

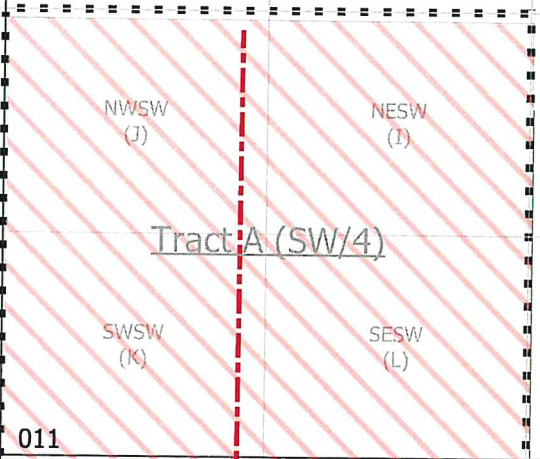
Tract List (including lease numbers & owners)	Exhibits A-3, A-4
Pooled Parties (including ownership type)	Exhibits A-3, A-4
Unlocatable Parties to be Pooled	Exhibits A-3, A-4
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibits A-3, A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-1
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibits A-3, A-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-3, A-4
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-1
Cross Section (including Landing Zone)	Exhibit B-2
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	
Date:	5/4/2021

CASE NO. 21841
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EXHIBIT A-3

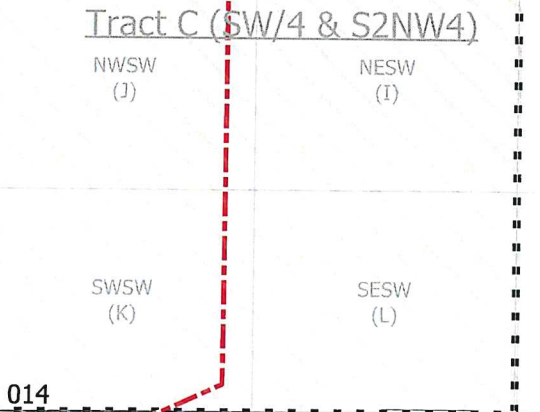
NEW MEXICO

TEXAS



013S - 038E

Tract C (SW/4 & S2NW4)



SWNE (C)	SENE (D)	SWNW (G)	SENE (D)	SWNE (C)	L 2 (D)
NWSE (N)	NESE (M)	NWSW (J)	NESE (M)	NWSE (N)	L 3 (M)
SWSE (O)	SESE (P)	SWSW (K)	SESE (P)	SWSE (O)	L 4 (P)
NWNE (B)	NENE (A)	NWNW (F)	NENE (A)	NWNE (B)	L 1 (A)
SWNE (C)	SENE (D)	SWNW (G)	SENE (D)	SWNE (C)	L 2 (D)
NWSE (N)	NESE (M)	NWSW (J)	NESE (M)	NWSE (N)	L 3 (M)
SWSE (O)	SESE (P)	SWSW (K)	SESE (P)	SWSE (O)	L 4 (P)
NWNE (B)	NENE (A)	NWNW (F)	NENE (A)	NWNE (B)	L 1 (A)

010 011

015 014
022 023

403

413 414

STEWARD ENERGY II, LLC

PROPOSED HORIZONTAL SPACING UNIT

PROPOSED WELLS

GUSTAVO FEE 5H SHL AND LATERAL

STEWARD ENERGY II, LLC

Case No. 22320

Exhibit A-3

EXHIBIT A-3

Tract A

(SW/4 of Sec. 11, T13S-R38E, being 160.00 Acres, more or less)

Committed

<u>Owner</u>	<u>Type</u>	<u>Ownership</u>	<u>Status</u>
Steward Energy II, LLC	WI	82.880319%	Committed
Total:		82.880319%	

Uncommitted

Ring Energy, Inc.	WI	17.119681%	Previously Pooled
Total:		17.119681%	
Grand Total:		100%	

Tract B

(N2NW/4 of Sec. 14, T13S-R38E, being 80.00 Acres, more or less)

Committed

<u>Owner</u>	<u>Type</u>	<u>Ownership</u>	<u>Status</u>
Steward Energy II, LLC	WI	57.863148%	Committed
G.O. Basic Energy I, LLC	WI	30.988810%	JOA executed Committed
Lindsay Production & Royalties, Ltd.	WI	0.926418%	JOA executed Executed AFE
Total:		89.778376%	

Uncommitted

<u>Owner</u>	<u>Type</u>	<u>Ownership</u>	<u>Status</u>
Cardinal Energy	WI	0.827000%	Previously Pooled
The Nordan Trust	WI	7.013672%	Previously Pooled
Estate of L.E. McKee, a/k/a Leslie Essington McKee	Mineral Interest	1.041666%	Previously Pooled
Estate of Agnes Duncan, a/k/a Agnes Duncan Franklin	Mineral Interest	0.111607%	To be Pooled
Estate of Beriah Lee Duncan, Jr.	Mineral Interest	0.027902%	To be Pooled

Estate of Charles Bezona	Mineral Interest	0.055803%	To be Pooled
Estate of Clyde R. Duncan	Mineral Interest	0.223214%	To be Pooled
Estate of Cora B. Duncan	Mineral Interest	0.223214%	To be Pooled
Estate of David Grant Duncan	Mineral Interest	0.027902%	To be Pooled
Estate of Donald Stuart Black	Mineral Interest	0.041853%	To be Pooled
Estate of Dorothy Duncan Brenner	Mineral Interest	0.027902%	To be Pooled
Estate of Douglas McFall Black	Mineral Interest	0.041853%	To be Pooled
Estate of Frances Duncan Noggle	Mineral Interest	0.027902%	To be Pooled
Estate of Helen Duncan Freshcorn	Mineral Interest	0.027902%	To be Pooled
Estate of Herbert E. Duncan	Mineral Interest	0.223214%	To be Pooled
Estate of Jane E. Duncan	Mineral Interest	0.055803%	To be Pooled
Estate of Mary Duncan Smith	Mineral Interest	0.027902%	To be Pooled
Estate of Nancy Sue Black DiCicco	Mineral Interest	0.041853%	To be Pooled
Estate of Robert Homer Duncan	Mineral Interest	0.111607%	To be Pooled
Estate of Susan Boettner Black	Mineral Interest	0.041853%	To be Pooled
Total:		10.221624%	
Grand Total:		100%	

Tract C

(S2NW/4 & SW/4 of Sec. 14, T13S-R38E, being 240.00 Acres, more or less)

Committed

<u>Owner</u>	<u>Type</u>	<u>Ownership</u>	<u>Status</u>
Steward Energy II, LLC	WI	46.822987%	Committed JOA executed
G.O. Basic Energy I, LLC	WI	25.044108%	Committed JOA executed
Lindsay Production & Royalties, Ltd.	WI	0.145503%	Executed AFE
Barton Jr., Roy G.	Mineral Interest	0.625000%	Executed AFE
Roy G. Barton & Opal Barton Revocable Trust, dated 1/28/1982	Mineral Interest	5.000000%	Executed AFE
Total:		77.637598%	

Uncommitted

<u>Owner</u>	<u>Type</u>	<u>Ownership</u>	<u>Status</u>
Ring Energy, Inc.	WI	17.187500%	Previously Pooled
Cardinal Energy	WI	0.129888%	Previously Pooled
The Nordan Trust	WI	1.101563%	Previously Pooled
Betelgeuse Production	Mineral Interest	1.562500%	Previously Pooled
Estate of L.E. McKee,	Mineral Interest	1.041666%	Previously Pooled

a/k/a Leslie Essington McKee			
Estate of Agnes Duncan, a/k/a Agnes Duncan Franklin	Mineral Interest	0.111607%	To be Pooled
Estate of Beriah Lee Duncan, Jr.	Mineral Interest	0.027902%	To be Pooled
Estate of Charles Bezona	Mineral Interest	0.055803%	To be Pooled
Estate of Clyde R. Duncan	Mineral Interest	0.223214%	To be Pooled
Estate of Cora B. Duncan	Mineral Interest	0.223214%	To be Pooled
Estate of David Grant Duncan	Mineral Interest	0.027902%	To be Pooled
Estate of Donald Stuart Black	Mineral Interest	0.041853%	To be Pooled
Estate of Dorothy Duncan Brenner	Mineral Interest	0.027902%	To be Pooled
Estate of Douglas McFall Black	Mineral Interest	0.041853%	To be Pooled
Estate of Frances Duncan Noggle	Mineral Interest	0.027902%	To be Pooled
Estate of Helen Duncan Freshcorn	Mineral Interest	0.027902%	To be Pooled
Estate of Herbert E. Duncan	Mineral Interest	0.223214%	To be Pooled
Estate of Jane E. Duncan	Mineral Interest	0.055803%	To be Pooled
Estate of Mary Duncan Smith	Mineral Interest	0.027902%	To be Pooled
Estate of Nancy Sue Black DiCicco	Mineral Interest	0.041853%	To be Pooled
Estate of Robert Homer Duncan	Mineral Interest	0.111607%	To be Pooled
Estate of Susan Boettner Black	Mineral Interest	0.041853%	To be Pooled
Total:		22.362403%	
Grand Total:		100%	

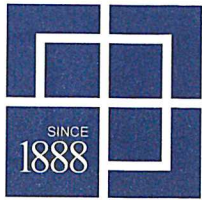
Recapitulation

Committed

<u>Owner</u>	<u>Type</u>	<u>Ownership</u>
Steward Energy II, LLC	WI	60.682124%
G.O. Basic Energy I, LLC	WI	17.686856%
Lindsay Production & Royalties, Ltd.	WI	0.227154%
Barton Jr., Roy G.	Mineral Interest	0.312500%
Roy G. Barton & Opal Barton Revocable Trust, dated 1/28/1982	Mineral Interest	2.500000%
	Total:	81.408634%

Uncommitted

<u>Owner</u>	<u>Type</u>	<u>Ownership</u>
Ring Energy, Inc.	WI	14.300310%
Cardinal Energy	WI	0.202777%
The Nordan Trust	WI	1.719727%
Betelgeuse Production	Mineral Interest	0.781250%
Estate of L.E. McKee, a/k/a Leslie Essington McKee	Mineral Interest	0.694444%
Estate of Agnes Duncan, a/k/a Agnes Duncan Franklin	Mineral Interest	0.074405%
Estate of Beriah Lee Duncan, Jr.	Mineral Interest	0.018601%
Estate of Charles Bezona	Mineral Interest	0.037202%
Estate of Clyde R. Duncan	Mineral Interest	0.148809%
Estate of Cora B. Duncan	Mineral Interest	0.148809%
Estate of David Grant Duncan	Mineral Interest	0.018601%
Estate of Donald Stuart Black	Mineral Interest	0.027902%
Estate of Dorothy Duncan Brenner	Mineral Interest	0.018601%
Estate of Douglas McFall Black	Mineral Interest	0.027902%
Estate of Frances Duncan Noggle	Mineral Interest	0.018601%
Estate of Helen Duncan Freshcorn	Mineral Interest	0.018601%
Estate of Herbert E. Duncan	Mineral Interest	0.148809%
Estate of Jane E. Duncan	Mineral Interest	0.037202%
Estate of Mary Duncan Smith	Mineral Interest	0.018601%
Estate of Nancy Sue Black DiCicco	Mineral Interest	0.027902%
Estate of Robert Homer Duncan	Mineral Interest	0.074405%
Estate of Susan Boettner Black	Mineral Interest	0.027902%
	Total:	18.591366%
	Grand Total:	100%



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

November 4, 2021

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL INTERESTED PARTIES SUBJECT TO NOTICE

Re: Case No. 22320 - Application of Steward Energy II, LLC to Pool Additional Interest Owners Under Order No. R-21691, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **December 2, 2021** beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/oed/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be filed at the Division's Santa Fe office or submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/oed/oedpermitting/>) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

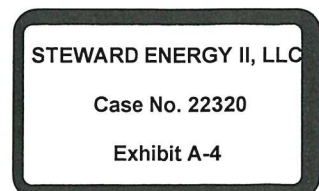
Please do not hesitate to contact me if you have any questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure



PO BOX 10
ROSWELL, NEW MEXICO 88202
575-622-6510
(FAX) 575-623-9332

PO BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554
(FAX) 505-982-8623

7601 JEFFERSON ST NE • SUITE 180
ALBUQUERQUE, NEW MEXICO 87109
505-858-8320
(FAX) 505-858-8321

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Adult Signature Restricted Delivery \$ _____

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Sent To

Street and # Estate of Donald Stuart Black
 1609 Picard Road, #461
 City, State, z Dorris, CA 96023

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

NOV 04 2021
 Postmark Here
 87501-9998

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature  <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____</p> <p>C. Date of Delivery 11-8-21</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No PO Box 213 Dorris, CA 96023</p>
<p>1. Article Addressed to:</p> <p>Estate of Donald Stuart Black 1609 Picard Road, #461 Dorris, CA 96023</p> <p> 9590 9402 6769 1074 5743 32</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7020 2450 0002 1364 9544</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

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Adult Signature Restricted Delivery \$ _____

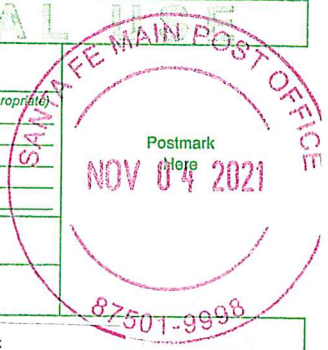
Postage \$ _____

Total Postage and Fees \$ _____

Sent To Estate of Susan Boettner Black
 629 7th Avenue
 Brighton, PA 15066

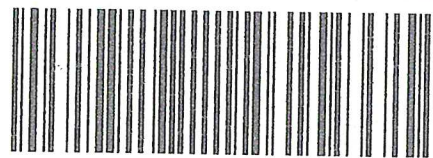
City, State, ZIP: _____

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NKLE SHANOR LLP
ATTORNEYS AT LAW
POST OFFICE BOX 2068
TA FE, NEW MEXICO 87504



7020 2450 0002 1364 4969



Estate of Susan Boettner Black
629 7th Avenue
Brighton, PA 15066

IA

~~11-8-21~~

NIXIE 152 DE 1 0011/14/21

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 INSUFFICIENT ADDRESS
 UNABLE TO FORWARD

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IA
87504206868

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Adult Signature Restricted Delivery \$ _____

Postage \$ _____

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Sent To _____

Street and _____
 Estate of Beriah Lee Duncan, Jr.
 10030 Johnson Road
 North Benton, OH 44449

City, State, _____

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Estate of Beriah Lee Duncan, Jr.
 10030 Johnson Road
 North Benton, OH 44449



9590 9402 6769 1074 5743 63

2. Article Number (Transfer from service label)

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PS Form 3811, July 2020 PSN 7530-02-000-9053

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A. Signature
 X *John B Duncan* Agent Addressee

B. Received by (Printed Name) _____ C. Date of Delivery
 11/8/21

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: _____

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 - Adult Signature Restricted Delivery
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 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Insured Mail
 - Insured Mail Restricted Delivery (over \$500)
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 - Registered Mail™
 - Registered Mail Restricted Delivery
 - Signature Confirmation™
 - Signature Confirmation Restricted Delivery

Domestic Return Receipt

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Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

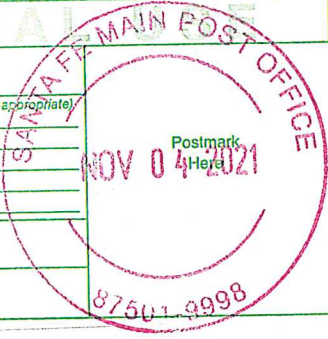
Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

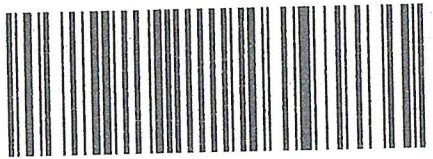
Sent To Estate of Clyde R. Duncan
 Street and 2505 Lougean Ave.
 City, State Pittsburgh, PA 15207

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



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SANTA FE, NEW MEXICO 87504



7020 2450 0002 1364 9537



Estate of Clyde R. Duncan
2505 Lougean Ave.
Pittsburgh, PA 15207

Handwritten initials 'AX' in blue ink.

NIXIE 152 DE 1 0011/11/21

RETURN TO SENDER
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 UNABLE TO FORWARD

BC: 87504206868 *0968-04814-04-4

46

.. 9326090102518726

IA
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Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To

Street and Apt. Estate of David Grant Duncan
613 Touchstone Circle
Port Orange, FL 32127

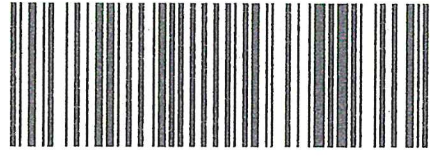
City, State, ZIP+4

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Estate of David Grant Duncan
613 Touchstone Circle
Port Orange, FL 32127

NIXIE 339 FE 1 0011/09/21

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Return Receipt (electronic)

Certified Mail Restricted Delivery

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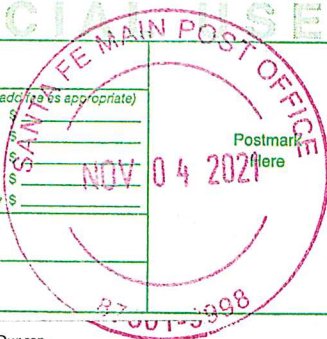
Total Postage and Fees \$ _____

Sent To _____

Street and Apt. Estate of Homer Duncan
 606 Camille Dr.
 Longview, TX 75604

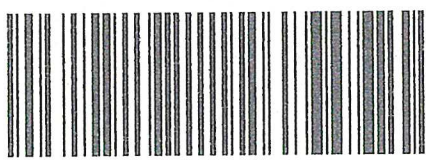
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ANK

Estate of Homer Duncan
 606 Camille Dr.
 Longview, TX 75604

NIXIE 711 FE 1 0011/18/

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Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
November 11, 2021
and ending with the issue dated
November 11, 2021.

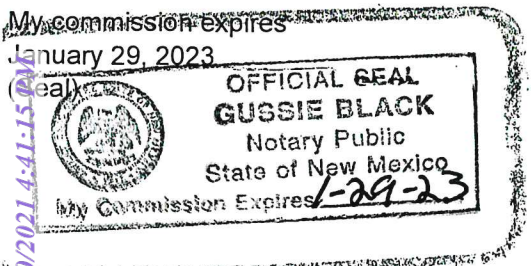


Publisher

Sworn and subscribed to before me this
11th day of November 2021.



Business Manager

My commission expires
January 29, 2023
(Seal)


This newspaper is duly qualified to publish
legal notices or advertisements within the
meaning of Section 3, Chapter 167, Laws of
1937 and payment of fees for said

LEGAL NOTICE November 11, 2021

This is to notify all interested parties, including the Estate of David Grant Duncan; the Estate of Agnes Duncan a/k/a Agnes Duncan Franklin; the Estate of Beriah Lee Duncan, Jr.; the Estate of Charles Bezona; the Estate of Clyde R. Duncan; the Estate of Cora B. Duncan; the Estate of Donald Stuart Black; the Estate of Dorothy Duncan Brenner; the Estate of Douglas McFall Black; the Estate of Frances Duncan Noggle; the Estate of Helen Duncan Freshcorn; the Estate of Herbert E. Duncan; the Estate of Jane E. Duncan; the Estate of Nancy Sue Black DiCicco; the Estate of Robert Homer Duncan; the Estate of Susan Boettner Black; the Estate of Mary Duncan Smith; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Steward Energy II, LLC (Case No. 22320). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 2, 2021 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks to pool additional unleased mineral interest owners under the terms of Division Order No. R-21691. On May 17, 2021, the Division entered Order No. R-21691 ("Order") in Case No. 21841, which pooled all uncommitted interests in the Bronco; San Andres, South Pool (Pool Code 7500) within the San Andres formation in a 480-acre, more or less, standard horizontal spacing unit comprised of the SW/4 of Section 11 and the W/2 of Section 14, Township 13 South, Range 38 East, Lea County, New Mexico ("Unit"). The Order further dedicated the Unit to the Gustavo Fee #5H well ("Well") and designated Applicant as operator of the Unit and Well. Since entry of the Order, Applicant has identified additional unleased mineral interest owners in the Unit that have not been pooled under the terms of the Order. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional unleased mineral interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from the owners. Applicant has sought and been unable to locate the unleased mineral interest owners. The Well is located approximately 14 miles east of McDonald, New Mexico.
#37016

02107475

00260526

GILBERT
HINKLE, SHANOR LLP
PO BOX 2068
SANTA FE, NM 87504

STEWART ENERGY II, LLC
Case No. 22320
Exhibit A-5