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

CASE NO. 23207

## **HEARING EXHIBITS**

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Taylor Warren
A-1	Application & Proposed Notice of Hearing
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Pooled Parties, Unit Recapitulation
A-4	Sample Well Proposal Letter & AFE
A-5	Summary of Communications
Exhibit B	Self-Affirmed Statement of Shane Seals
B-1	Location Map, Subsea Structure Map, Gunbarrel Diagram
B-2	Stratigraphic Cross Section
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for November 16, 2022

# COMPUESORY POOLING APPLICATION CHECKLIST

## ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case No.:	23207
Hearing Date:	12/1/2022
Applicant	Steward Energy II, LLC
Designated Operator & OGRID	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	None.
Well Family	Gilligan
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	276.17-acre
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	276.17-acre
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	W/2 SE/4, SW/4 NE/4, and Lots 1, 2, 5, 6, and 7 (E/2 equivalent) of
	irregular Section 2, 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	Yes, the completed interval of Gilligan Fee 2H will be located within
	330' of the Unit's internal quarter-quarter section line to allow for the
	creation of a standard horizontal spacing unit.
Proximity Defining Well: if yes, description	Gilligan Fee 2H
Well(s)	
Name & API (if assigned), surface and bottom hole location,	Add wells as needed
footages, completion target, orientation, completion status	Add wells as needed
(standard or non-standard)	
Well #1	Gilligan Fee 2H (API # pending)
	SHL: 670' FSL & 1100' FEL (Lot 4), Section 35, T12S-R38E
	BHL: 100' FSL & 1100' FEL (Lot 7), Section 2, T13S-R38E
	Completion Target: San Andres (Approx. 5500' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
	Exhibit A-4
Completion Target (Formation, TVD and MD) AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000.00
Production Supervision/Month \$	\$700.00
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 C-1, C-2, C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	

Land Qwparship Spiemazis/20292cizz. UnipM	Exhibit A-3 Page 3 of 52
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3
Ownership Depth Severance	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
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	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
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):	/s/ Dana S. Hardy
Date:	11/28/2022

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

**CASE NO. 23207** 

## SELF-AFFIRMED STATEMENT OF TAYLOR WARREN

1. I am the land manager at Steward Energy II, LLC ("Steward"). I am over the age of 18, have personal knowledge of the matter addressed herein, and am competent to provide this Self-Affirmed Statement, I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-referenced case. Copies of Steward's application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

4. Steward seeks an order pooling all uncommitted interests in the Bronco; San Andres South Pool (Code 7500) within the San Andres formation underlying a 276.17-acre, more or less, standard horizontal spacing unit comprised of the W/2 SE/4, SW/4 NE/4, and Lots 1, 2, 5, 6, and 7 (E/2 equivalent) of irregular Section 2, Township 13 South, Range 38 East, Lea County, New Mexico ("Unit").

5. The Unit will be dedicated to the **Gilligan Fee 2H** well ("Well"), which will be horizontally drilled from a surface hole location in Lot 4 (SE/4 SE/4 equivalent) of irregular

Steward Energy II, LLC Case No. 23207 Exhibit A Section 35, Township 12 South, Range 38 East, to a bottom hole location in Lot 7 (SE/4 SE/4 equivalent) of irregular Section 2, Township 13 South, Range 38 East.

6. The completed interval of the Well will be located within 330' of the Unit's internal quarter-quarter section line to allow for the creation of a standard horizontal spacing unit. The completed interval of the Well will be orthodox.

7. **Exhibit A-2** contains the C-102 for the Well.

8. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Steward seeks to pool highlighted in yellow.

9. Steward located an address for each party it seeks to pool, but it is unclear whether each address is valid since some of the hearing notice letters were returned as undeliverable. As discussed below, Steward conducted extensive research to locate the parties it seeks to pool.

10. With respect to Steward's efforts to locate parties, Steward conducted a diligent search of all relevant county public records, phone directors and computer databases a landman in the normal course of business would search. Over the course of several years since leasing activity began, the lease broker, Shaw Interests, Inc., and our in-house Landman, Cooper Newlan, each conducted their own diligent searches, and worked in conjunction, to locate unlocatable parties. Each used https://www.google.com/ to obtain as many details as possible prior to conducting searching on websites that included the following:

https://accurint.com/ (a Lexis-Nexis paid subscription search service) https://www.ancestry.com/ https://www.familysearch.org/en/ https://www.findagrave.com/

2

https://www.legacy.com/

https://www.newspapers.com/

https://www.whitepages.com/

11. Shaw Interests, Inc. sent correspondence and lease offer packages to confirmed and prospective addresses. Additionally, telephone calls were made in an attempt to reach the relatives/heirs.

12. **Exhibit A-4** contains a sample well proposal letter and AFE sent to working interest owners for the Well. The estimated costs reflected on the AFE are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

In my opinion, Steward made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in Exhibit A-5.

14. Steward requests overhead and administrative rates of \$7,000.00 per month while the Well is being drilled and \$700.00 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Steward and other operators in the vicinity.

15. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

16. In my opinion, the granting of Steward's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

17. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury

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under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Taylor Warren

11/14/2022

Date

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

CASE NO. 23207

### **APPLICATION**

Pursuant to NMSA § 70-2-17, Steward Energy II, LLC (OGRID No. 371682) ("Applicant") applies for an order pooling all uncommitted interests in the San Andres formation underlying a 276.17-acre more or less, standard horizontal spacing unit comprised of the W/2 SE/4, SW/4 NE/4, and Lots 1, 2, 5, 6, and 7 (E/2 equivalent) of irregular Section 2, Township 13 South, Range 38 East, Lea County, New Mexico ("Unit"). In support of its application, Applicant states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.

2. The Unit will be dedicated to the **Gilligan Fee 2H** well ("Well"), to be drilled from a surface hole location in Lot 4 (SE/4 SE/4 equivalent) of irregular Section 35, Township 12 South, Range 38 East, to a bottom hole location in Lot 7 (SE/4 SE/4 equivalent) of irregular Section 2, Township 13 South, Range 38 East.

3. The completed interval of the Well will be orthodox.

4. The completed interval of the Well will be located within 330' of the Unit's internal quarter-quarter section line to allow for the creation of a standard horizontal spacing unit.

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

Steward Energy II, LLC Case No. 23207 Exhibit A-1 6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protest correlative rights.

7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Well and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 1, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

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Respectfully submitted,

## HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean Yarithza Peña P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com ypena@hinklelawfirm.com Application of Steward Energy II, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the San Andres Formation underlying a 276.17-acre, more or less, standard horizontal spacing unit comprised of the W/2 SE/4, SW/4 NE/4, and Lots 1, 2, 5, 6, and 7 (E/2 equivalent) of irregular Section 2, Township 13 South, Range 38 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Gilligan Fee 2H** well, which will be drilled from a surface hole location in Lot 4 (SE/4 SE/4 equivalent) of irregular Section 35, Township 12 South, Range 38 East, to a bottom hole location in Lot 7 (SE/4 SE/4 equivalent) of irregular Section 2, Township 13 South, Range 38 East. The completed interval of the well will be orthodox and will be located within 330' of the Unit's internal quarter-quarter section line to allow for the creation of a standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, 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 14.6 miles southeast of Tatum, New Mexico.

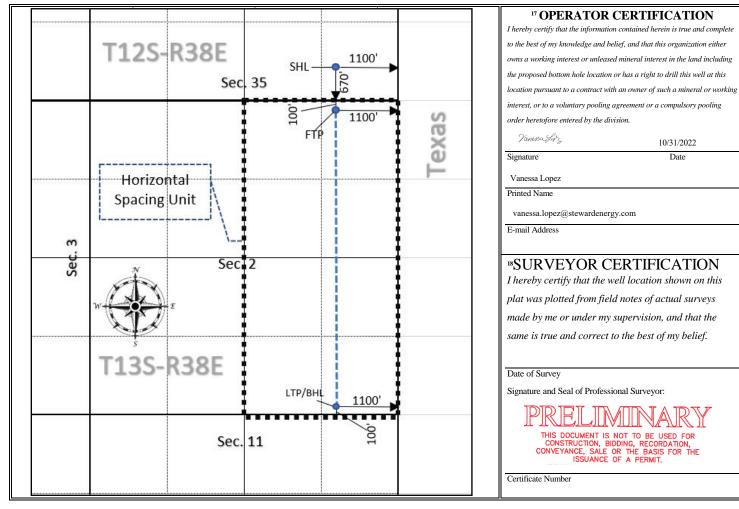
## State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

	WELL LOCATION AND ACREAGE DEDICATION PLAT										
1	API Number	r		<sup>2</sup> Pool Code 7500							
<sup>4</sup> Property (	<sup>4</sup> Property Code <sup>5</sup> Property Name GILLIGAN FEE									Well Number 2H	
<sup>7</sup> OGRID 1 37168		<sup>8</sup> Operator Name STEWARD ENERGY II, LLC								<sup>9</sup> Elevation	
					<sup>10</sup> Surface I	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	/West line	County	
Lot 4	35	12S	38E		670	SOUTH	1100	EAS	ST	LEA	
			<sup>п</sup> Во	ttom Ho	le Location If	Different Fron	n Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	/West line	County	
Lot 7	2	13S	38E	BE 100 SOUTH 1100 EAST LI							
<sup>12</sup> Dedicated Acres 276.17	<sup>13</sup> Joint of	r Infill <sup>14</sup> (	Consolidation	nsolidation Code <sup>15</sup> Order No.							

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

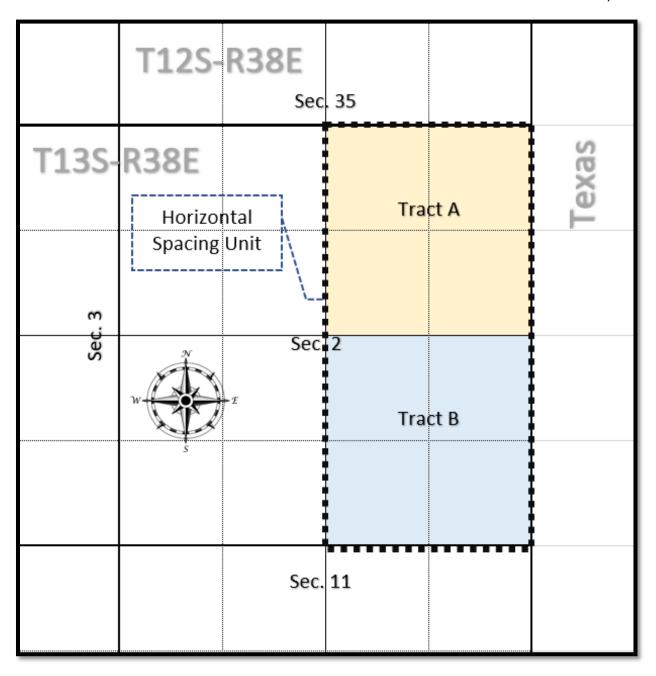


Steward Energy II, LLC Case No. 23207 Exhibit A-2

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# **EXHIBIT A-3**

Gilligan Fee E/2 of Section 2, T13S-R38E, N.M.P.M Lea Co., NM



Steward Energy II, LLC Case No. 23207 Exhibit A-3

## **EXHIBIT A-3**

## Tract A - (Lots 1, 2, 5, and the SW/4NE/4 of Section 2, T13S-R38E, being 139.33 Acres)

WI

Steward Energy II, LLC

63.852735%

### Tract B - (Lots 6, 7 and the W/2SE4 of Section 2, T13S-R38E, being 136.84 Acres)

Steward Energy II, LLC

WI 100.00000%

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## **EXHIBIT A-3**

## Tract A

## (Lots 1, 2, 5, and the SW/4NE/4 of Section 2, T13S-R38E, being 139.33 Acres)

<u>Committed</u>				
<u>Owner</u>	<u>Type</u>		<u>Ownership</u>	<u>Status</u>
Steward Energy II, LLC	WI		63.852735%	Committed
		Total:	63.852735%	
<u> Jncommitted</u>				
<u>Owner</u>	Туре		<u>Ownership</u>	<u>Status</u>
Berry, Ellen Ann	MI		0.334400%	Uncommitted
Burruss, Charles Edward	MI		4.166650%	Uncommitted
Burruss, John David	MI		4.166650%	Uncommitted
Carnegie Energy, LLC	MI		0.410885%	Executed AFE
Culver, John Thomas	MI		0.041813%	Uncommitted
Culver, Reed Jarvis	MI		0.041812%	Uncommitted
First Roswell Company	MI		2.632100%	Executed AFE
J.O. Wood Family Limited Partnership	MI		4.166700%	Uncommitted
Jean Wood Anderson Trust, dated 5/11/1993	MI		4.166670%	Uncommitted
Mekusukey Oil Company, LLC	MI		0.410885%	Uncommitted
Roca Resource Company, Inc.	MI		1.421600%	Executed AFE
Roy G. Barton & Opal Barton Revocable Trust, dated 1/28/1982	MI		5.853800%	Executed AFE
Sympson Family LLC	MI		8.333300%	Uncommitted
		Total:	36.147265%	
	Gra	and Total:	100.00000%	

Grand Total: 100.0000%

## Tract B

(Lots 6, 7 and the W/2SE4 of Section 2, T13S-R38E, being 136.84 Acres)

<u>Committed</u>				
<u>Owner</u>	Type		<b>Ownership</b>	<u>Status</u>
Steward Energy II, LLC	WI		100.000000%	Committed JOA executed
		Total:	100.000000%	
<u>Uncommitted</u>				
<u>Owner</u>	Type		<u>Ownership</u>	<u>Status</u>
		Total:	0.000000%	
	Grai	nd Total:	100.000000%	

## **Recapitulation**

## **Committed**

<u>Owner</u>	Туре	<u>Ownership</u>
Steward Energy II, LLC	WI	81.763412%
	Total:	81.763412%

## Uncommitted

<u>Owner</u>	<u>Type</u>	<u>Ownership</u>
Berry, Ellen Ann	<mark>MI</mark>	<mark>0.168708%</mark>
Burruss, Charles Edward	<mark>MI</mark>	<mark>2.102109%</mark>
Burruss, John David	<mark>MI</mark>	<mark>2.102109%</mark>
Carnegie Energy, LLC	<mark>MI</mark>	<mark>0.207295%</mark>
Culver, John Thomas	<mark>MI</mark>	<mark>0.021095%</mark>
Culver, Reed Jarvis	<mark>MI</mark>	<mark>0.021094%</mark>
First Roswell Company	<mark>MI</mark>	<mark>1.327916%</mark>
J.O. Wood Family Limited Partnership	<mark>MI</mark>	<mark>2.102134%</mark>
Jean Wood Anderson Trust, dated 5/11/1993	MI	<mark>2.102119%</mark>
Mekusukey Oil Company, LLC	<mark>MI</mark>	<mark>0.207295%</mark>
Roca Resource Company, Inc.	<mark>MI</mark>	<mark>0.717209%</mark>
Roy G. Barton & Opal Barton	<mark>MI</mark>	<mark>2.953289%</mark>
Revocable Trust, dated 1/28/1982 Sympson Family LLC	MI	<mark>4.204217%</mark>
		<del>4.204217/</del> 0

Total: 18.236588%

Grand Total: 100.00000%



November 1, 2022

### CERTIFIED MAIL #7022 0410 0003 4658 9843

Ellen Ann Berry 1401 "B" West 29th Austin, TX 78703

Re: <u>Notice of Surface Hole Location Change</u> Well Proposal - Gilligan Fee 2H E/2 of Section 2 Township 13 South, Range 38 East, N.M.P.M. Lea County, New Mexico

Dear Owner,

You recently received a Well Proposal for the drilling of our Gilligan Fee 2H. This letter is being sent to provide notice of a change to the Surface Hole Location ("SHL"). Our Operations Department has deemed that the following SHL will better maximize the productive lateral of the Well Spacing Unit, being the E/2 of Section 2:

# 670 feet from the south line and 1,100 from the east line of Section 35, Township 12 South, Range 38 East.

Thanks and please let me know if you have any questions.

Sincerely,

Cooper Newlan Landman | cooper.newlan@stewardenergy.net 214.297.0526 direct | 512.828.1885 mobile

> Steward Energy II, LLC Case No. 23207 Exhibit A-4



\*\*\*\*\*\*\*VIA CERTIFIED U.S.P.S. MAIL #7020 0640 0001 4846 8569\*\*\*\*\*\*

August 29, 2022

Re: Steward Energy II, LLC Well Proposal – <u>Gilligan Fee 2H</u> E/2 of Section 2 Township 13 South, Range 38 East, N.M.P.M. Lea County, New Mexico

Carnegie Energy, LLC 4925 Greenville Ave., Suite 200 Dallas, TX 75206

Dear Mineral Owner,

This letter will serve as notice regarding the plans of Steward Energy II, LLC ("Steward") to drill the Gilligan Fee 2H ("Well") as a horizontal well, targeting the San Andres Formation with an approximate total depth drilled of 10,880 feet. The Well's surface hole will be located approximately 670 feet from the north boundary line and 1210 feet from the east boundary line of Section 2, Township 13 South, Range 38 East, N.M.P.M. and is subject to change based on final determination. The producing intervals of the Well will be located within a standard horizontal spacing unit described as being the East Half (E/2) of Section 2, Township 13 South, Range 38 East, N.M.P.M. ("Spacing Unit"). The Well's first take point will be located approximately 100 feet from the north boundary line and 1130 feet from the east boundary line of the Spacing Unit. The Well's last take point will be located approximately 100 feet from the east boundary line and 1130 feet from the south boundary line and 1130 feet from the

Steward's ownership records indicate that you own an unleased mineral interest located within the Spacing Unit, and as an unleased mineral owner you are offered participation in the Well based upon your proportionate mineral interest in the Spacing Unit. Your proportionate interest and share of cost in the Well are noted at the bottom of the attached Authorization for Expenditure ("AFE"). The itemized cost of the Well is listed on the AFE, and the total cost for drilling is \$1,758,802, with an additional \$2,883,440 to complete the well (Total \$4,642,242). This AFE is an estimate only and an unleased mineral owner, by execution of same, commits to pay its proportionate share of actual cost incurred.

Please indicate your election as to your participation in the Well by checking the appropriate box in the space provided below and returning the second page of this letter to Steward using the enclosed envelope. In the event you elect to participate in the well, please also sign the bottom of the attached AFE, and include it within the envelope as well. Well Proposal Gilligan Fee 2H August 29, 2022

Please be advised that Steward has requested a risk penalty in accordance with New Mexico law. In the event you elect NOT to participate, but do desire to lease your mineral interest, please contact Steward's Land Department and request to speak with a Landman regarding your unleased interest.

Your election must be received by Steward within 30 days of the date this proposal was received by you. Failure to respond within 30 days shall be deemed an election NOT to participate. Please send your election to:

Steward Energy II, LLC Land Department 2600 N. Dallas Parkway, Suite 400 Frisco, Texas 75034

For questions regarding this well proposal please contact the Land Department via email <u>land@stewardenergy.net</u> or call (214) 297-0500.

Respectfully,

Cooper Newlan Landman

Attachment

## Please indicate your election by checking one of the boxes and signing

Proportionate Interest: 0.199520%

The undersigned elects **to not to** participate in the Gilligan Fee 2H well with their proportionate interest.

## Carnegie Energy, LLC

\_\_\_\_\_ Date: \_\_\_\_\_

Ву:\_\_\_\_\_



## **AUTHORIZATION FOR EXPENDITURE**

Well Name:	Gilligan Fee 2H (TBD)					
Operator:	Steward Energy II, LLC				AFE Number:	TBD
Well Type:	Horizontal Oil	AFE Type:	New Drill		AFE Date:	8/31/2022
Legal	E/2 of Section 2, Township 13 South,	Prop. Depth:	Approx. 5,500' TVI	D; 10,880' MD	County, State:	Lea County, NM
Description:	Range 38 East, N.M.P.M.	Field:	Bronco, San Andre	es, South	Prep. By:	Tim Hilton
First Tak	e Point: 100' FNL and 1,130' FEL (Section 2, Towns	hip 13 South, Range	38 East, N.M.P.M	.)		
Last Tak	e Point: 100' FSL and 1,130' FEL (Section 2, Towns	hip 13 South, Range	38 East, N.M.P.M	.)		
Project Desc	cription: Drill & Complete a 1 mile San Andres hor	rizontal with a pilot	and tank battery			
Account #	Cost Breakdown	Drilling	Dry Hole	Completion	Cost Workover	Total
8200.100	Land, Surveying & Legal	\$12,000	\$12,000			\$12,000
8200.101	Abstract, Title & Permit	\$80,000	\$80,000			\$80,000
8200.102	ROW & Surface Damages	\$20,000	\$20,000			\$20,000
8200.103	Road, Pad Location & Pit Building	\$58,500	\$58,500			\$58,500
8200.104	Environ, Reg & Safety	\$5,950	\$5,950			\$5,950
8200.105	Well Insurance	\$2,200	\$2,200			\$2,200
8200.113	Contract Labor	\$5,850	\$5,850			\$5,850
8200.114	Consulting Services & Contract Supervision	\$55,500	\$55,500			\$55,500
8200.120	Vacuum & Pump Truck	\$3,500	\$3,500			\$3,500
8200.120	Material Transportation	\$10,400	\$10,400			\$10,400
8200.126	Fuel	\$40,600	\$40,600			\$40,600
8200.131	Chemical-Downhole Treating	\$2,160	\$2,160			\$2,160
8200.132	Mud & Additives	\$35,000	\$35,000			\$35,000
8200.140	Mob/Demob	\$65,000	\$65,000			\$65,000
8200.141	Mud Disposal/Pit Closure	\$150,000	\$150,000			\$150,000
8200.141	Trailer Rental, Camp & Catering	\$130,000	\$28,700			\$28,700
8200.142	Drilling Rig - Daywork or Footage	\$205,800	\$205,800			\$205,800
8200.149	Bits, Mills & Reamers	\$34,500	\$34,500			\$34,500
8200.151	Directional Services	\$95,000	\$95,000			\$95,000
8200.151	Open Hole Logs	\$40,000	\$40,000			\$40,000
8200.154	Casing Crews & Services	\$8,700	\$8,700			\$8,700
8200.160	Cementing Services	\$93,000	\$93,000			\$93,000
8200.169	Water Transfer	\$4,000	<i><b>JJJ</b></i> ,000			\$4,000
8200.109	Water Purchase	\$4,000	\$24,000			\$4,000
8200.170	Surface Equipment Rental & Services	\$73,800	\$73,800			\$73,800
	Downhole Inspection/Testing - Casing, Tubing &					
8200.193	Rods	\$22,650	\$22,650			\$22,650
8200.301	Overhead	\$10,000	\$10,000			\$10,000
	IDC Total:	\$1,182,810	\$1,182,810			\$1,186,810
8250.200	Conductor/Drive Pipe	\$15,600	\$15,600			\$15,600
8250.201	Surface Casing	\$109,632	\$109,632			\$109,632
8250.203	Production Casing	\$399,080	\$399,080			\$399,080
8250.205	Wellhead Equipment, Flow Tee & Meter Run	\$14,880	\$14,880			\$14,880
8250.214	Other Downhole Equipment	\$32,800	\$32,800			\$32,800
	TDC Total:	\$571,992	\$571,992			\$571,992
	Development Drlg/Comp Total:	\$1,754,802	\$1,754,802			\$1,758,802
8300.114	Consulting Services & Contract Supervision					\$61,000
8300.120	Vacuum & Pump Truck					\$6,000
8300.122	Material Transportation					\$13,000
8300.126	Fuel					\$3,000
8300.131	Chemicals - Downhole Treating					\$3,500
8300.142	Trailer Rental, Camp & Catering					\$3,000
leased to Imag	Warchtrof 8022 stration tass PM					\$65,000

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ccount #	Cost Breakdown	Drilling	Dry Hole	<b>Completion Cost</b>	Workover	Total
8300.146	Completion/Workover Rig					\$25,450
8300.148	Reverse Unit					\$15,000
8300.149	Bits, Mills & Reamers					\$3,500
8300.164	Wireline & Perforating					\$83,540
8300.169	Water Transfer	\$30,000				\$30,000
8300.170	Water Purchase					\$102,250
8300.171	Stimulation - Frac, Acid, Gravel Pack					\$1,117,400
8300.175	Surface Equipment Rental & Services					\$35,000
8300.176	Downhole Equipment Rental & Services					\$21,000
8300.179	Elect & Generator R&M					\$235,000
	ICC Total:					\$1,822,640
3350.205	Wellhead Equipment, Flow Tee & Meter Run	\$13,000				\$13,000
3350.206	Tubing					\$49,000
3350.211	Electric Submersible Pumps					\$245,500
3350.213	Frac Plugs, Bridge Plus, Packers, Tubing Anchors					\$19,000
3350.221	Surface VSD, Transformer, POC & Associated Equipment					\$25,000
3350.234	Surface Pump & LACT's					\$2,500
	TCC Total:					\$354,000
3600.100	Land, Surveying, & Legal	\$1,000				\$1,000
3600.102	ROW & Surface Damages	\$10,000				\$10,000
3600.111	Company Supervision	\$10,500				\$10,500
3600.120	Vaccum & Pump Truck	\$1,500				\$1,500
3600.122	Material Transportation	\$3,800				\$3,800
3600.175	Surface Equipment Rental & Services	\$3,500				\$3,500
	IFC Total:					\$30,300
3650.222	Instrumentation & Meters	\$22,000				\$22,000
3650.223	SCADA & Communications	\$32,000				\$32,000
3650.224	Electrial Installation & Power Generation	\$106,000				\$106,000
3650.229	Prod & SWD Facility Inst.	\$64,000				\$64,000
3650.230	Compressor, Dehy, Line Heater	\$25,000				\$25,000
3650.231	Separator, Heater Treater, FWKO	\$79,000				\$79,000
3650.232	Tanks, Walkways & Stairs	\$176,000				\$176,000
3650.233	Flowline & Gethering Lines	\$5,000				\$5,000
3650.234	Surface Pump & LACTs	\$12,500				\$12,500
3650.235	Miscellaneous Non-Controllable - Pipe, Valves & Fittings	\$155,000				\$155,000
	TFC Total:					\$676,500
	Development Drlg/Comp Total:					\$2,883,440
				Devel	opment Drlg/Comp Total:	\$4,642,242
		Net %:	0.199520%		Net Total:	\$9,262
Approv	ed by:	Signatu	re			

This AFE is an estimate only and non-operator, by execution of same, commits to pay its proportionate share of actual cost incurred.

# **EXHIBIT A-5**

Chronology of contact with locatable uncommitted interest

- November 2017 Steward Energy II, LLC acquired title to one (1) oil and gas lease, from PPC Operating Company LLC, effective 11/1/2017, and begins to extend these acquired leases. Steward Energy II, LLC also begins to acquire oil and gas leases from the remaining unleased mineral owners in Tract A. There were originally 59 unleased mineral owners located in Tract A.
- November 2017 Steward Energy II, LLC acquired title to two (2) oil and gas leases, from PPC Operating Company LLC, effective 11/1/2017, and begins to extend these acquired leases. Steward Energy II, LLC also begins to acquire oil and gas leases from the remaining unleased mineral owners in Tract B. There were originally 11 unleased mineral owners located in Tract B.
- August 29, 2022 Steward Energy II, LLC sends the Gilligan Fee 2H well proposals to the uncommitted owners via certified U.S. Mail.
- September 29, 2022 Steward Energy II, LLC has received 4 executed election letters from uncommitted owners who chose to participate in the drilling and completion of the Gilligan Fee 2H well.

Steward Energy II, LLC Case No. 23207 Exhibit A-5

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

CASE NO. 23207

## SELF-AFFIRMED STATEMENT OF SHANE SEALS

1. I am a geologist at Steward Energy II, LLC ("Steward") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my credentials as an expert in petroleum geology matters were accepted and made a matter of record.

2. I am familiar with the geological matters that pertain to this case.

3. Exhibit B-1 is a location map of the proposed horizontal spacing unit ("Unit") within the San Andres formation. The approximate wellbore path of the proposed Gilligan Fee 2H well ("Well") is represented by a light green dashed line. Existing producing wells in the targeted interval are represented by thin, light blue solid lines.

4. **Exhibit B-1** also contains a subsea structure map for the top of the Pi Marker in the San Andres formation that is representative of the targeted interval within the formation. The data points are indicated by red circles. The approximate wellbore path for the Well is depicted by a light green dashed line. The map demonstrates the formation is relatively flat with minor dipping to the south in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

Steward Energy II, LLC Case No. 23207 Exhibit B 5. **Exhibit B-1** identifies three wells penetrating the targeted interval I used to construct a stratigraphic cross-section from A to A'. I used these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area.

6. **Exhibit B-2** is a stratigraphic cross-section using the representative wells identified on **Exhibit B-1**. It contains gamma ray, resistivity, and porosity logs. The proposed landing zone for the Well is labeled on the exhibit. This cross-section demonstrated the target interval is continuous across the Unit.

7. In my opinion, a standup orientation for the Well is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and slightly dominant stress regime that yields a preferred fracture orientation in this portion of the trend.

8. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more of less equally to the production of the Well.

9. In my opinion, the granting of Steward's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

10. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

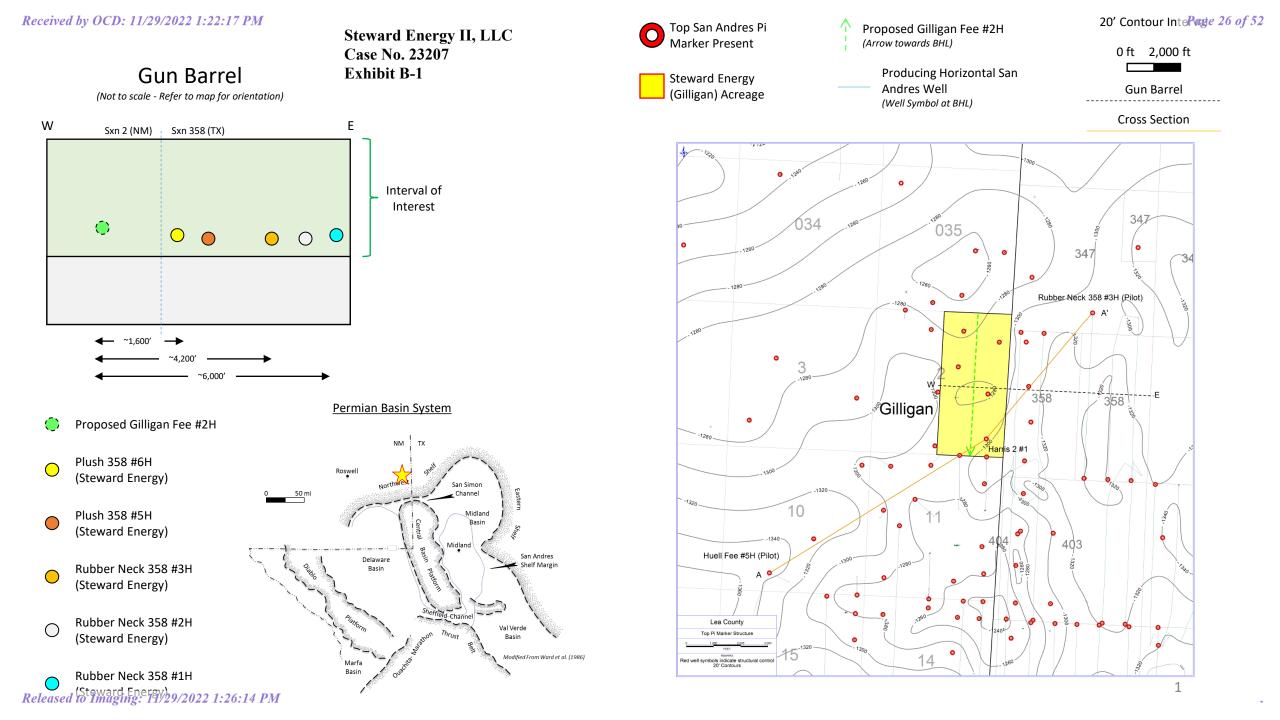
11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

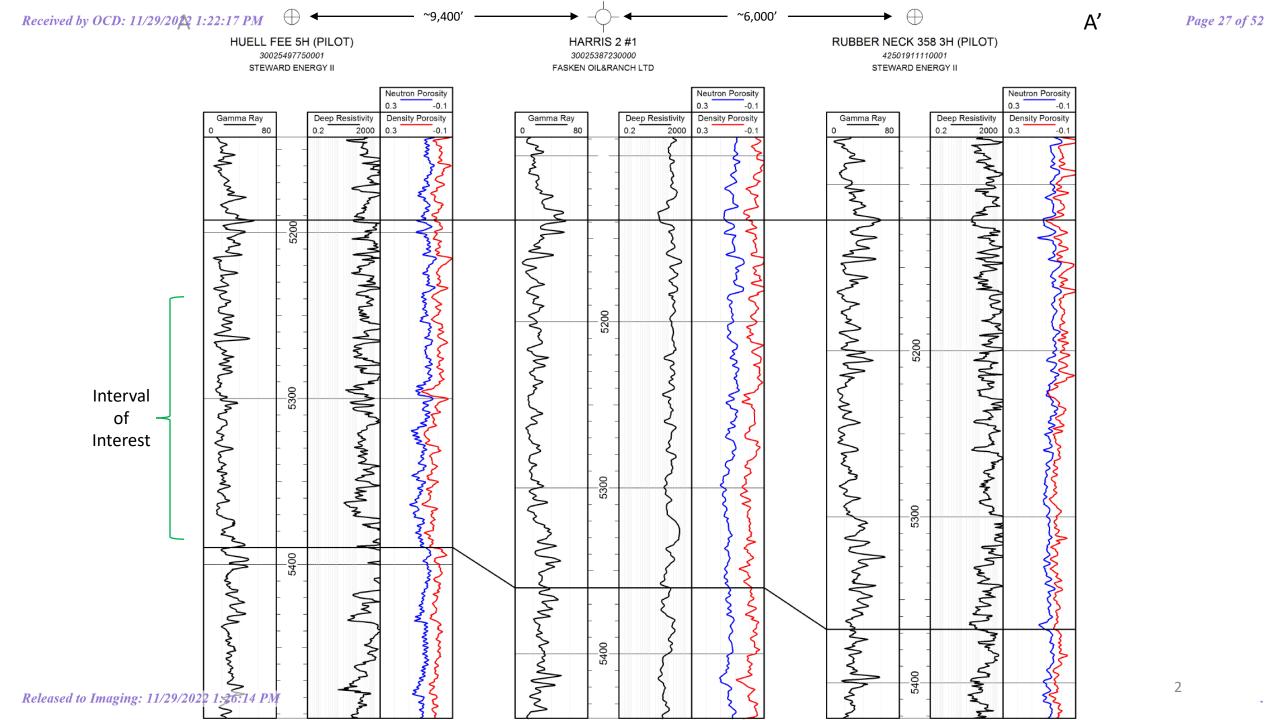
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Date





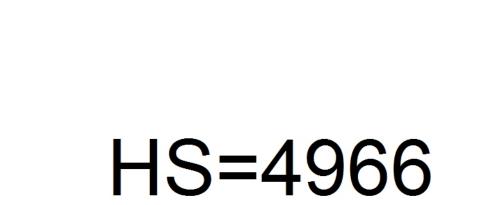
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Steward Energy II Case No. 23207 Exhibit B-2

# $\bigcirc$ HUELL FEE 5H (PILOT) 30025497750001 STEWARD ENERGY II

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# $\bigcirc$ CK 358 3H (PILOT) 01911110001

Page 28 of 52

Rel Depth(ft) - -50

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STEWARD ENERGY II

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

CASE NO. 23207

## SELF-AFFIRMED STATEMENT OF DANA S. HARDY

1. I am attorney in fact and authorized representative of Steward Energy II, LLC, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. The above-referenced Application was provided, along with the Notice Letters, to the recipients listed in Exhibit C-2.

4. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

5. Copies of the certified mail green cards and white slips are attached as Exhibit C-3 as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

6. On November 16, 2022, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit C-4**.

7. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy Dana S. Hardy November 28, 2022\_ Date

Steward Energy II, LLC Case No. 23207 Exhibit C



## HINKLE SHANOR LLP

ATTORNEYS AT LAW P.O. BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

# VIA CERTIFIED MAIL

November 8, 2022

# RETURN RECEIPT REQUESTED

## TO ALL PARTIES ENTITLED TO NOTICE

# Re: Case No. 23207 - Application of Steward Energy II, LLC for Compulsory Pooling, 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 1, 2022** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. 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 submitted through the OCD E-Permitting system (https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/) or via e-mail to ocd.hearing@emnrd.nm.gov 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 Landman Cooper Newlin at (214) 297-0500 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Steward Energy II, LLC Case No. 23207 Exhibit C-1

Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321 PO BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623

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

CASE NO. 23207

## NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	<b>RETURN RECEIVED</b>
Roy G. Barton & Opal Barton	11/08/22	11/17/22
Revocable Trust, dated 1/28/1982		
c/o Roy G. Barton, Jr.		
1919 North Turner Street		
Hobbs, NM 88240-2712		
Leslie Diane Beckmann	11/08/22	Per USPS Tracking
2017 Diamond Ridge Drive		(Last checked 11/28/22):
Carrollton, TX 75010		
		11/16/22 -
		Item in transit to next
		facility.
Ellen Ann Berry	11/08/22	Per USPS Tracking
1401 "B" West 29th		(Last checked 11/28/22):
Austin, TX 78703		× ,
		11/17/22 -
		Delivery attempted.
Ellen Ann Berry	11/08/22	Per USPS Tracking
1423 Ventura Ave.		(Last checked 11/28/22):
Midland, TX 79705		
		11/20/22 -
Ellen Ann Berry	11/08/22	Delivery attempted. Per USPS Tracking
6102 Rickerhill Lane	11/08/22	(Last checked $11/28/22$ ):
Austin, TX 78739		(Last encercu 11/26/22).
		11/14/22 —
		Item in transit to next
		facility.
Charles Edward Burruss	11/08/22	11/21/22
201 St. James		
Chickasha, OK 73018		
John David Burruss	11/08/22	11/18/22
3416 NW 69th		
Oklahoma City, OK 73116		

Steward Energy II, LLC Case No. 23207 Exhibit C-2

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

CASE NO. 23207

## NOTICE LETTER CHART

Carnegie Energy, LLC 4925 Greenville Ave., Suite 200 Dallas, TX 75206	11/08/22	Per USPS Tracking (Last checked 11/28/22):
		11/16/22 – Item in transit to next facility.
Cory Lanier Culver 3100 Seaboard Ave. Midland, TX 79705	11/08/22	11/18/22
John Thomas Culver 600 W. Water St. Kerrville, TX 78028	11/08/22	Per USPS Tracking (Last checked 11/28/22):
		11/27/22 – Item in transit to next facility after being returned to sender.
Reed Jarvis Culver 1903 Woodlawn Dr. Midland, TX 79705	11/08/22	11/15/22
George Patrick Crossley P.O. Box 2464 Roswell, NM 88202	11/08/22	11/16/22
Estate of Genevieve I. Ketter c/o Jim R. Ketter 5111 Green Tree Blvd. Midland, TX 79707	11/08/22	Per USPS Tracking (Last checked 11/28/22): 11/15/22 – Item in transit to next
Estate of Genevieve I. Ketter c/o Mary K. Ketter 307 W. Martin Ave. Comanche, TX 76442	11/08/22	facility. 11/18/22
Estate of Genevieve I. Ketter c/o Mike Ketter P.O. Box 2432 Midland, TX 79702	11/08/22	11/17/22

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

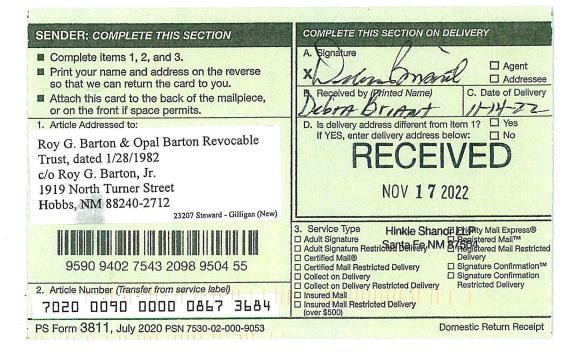
CASE NO. 23207

## NOTICE LETTER CHART

Estate of Genevieve I. Ketter	11/08/22	11/18/22
c/o Robert Ketter		
1101 Todd Drive		Return to sender.
Midland, TX 79706-4348		
First Roswell Company	11/08/22	11/17/22
P.O. Box 1797		
Roswell, NM 88202		
J.O. Wood Family Limited	11/08/22	11/21/22
Partnership		
995 County Road 4371		
Decatur, TX 76234		
Jean Wood Anderson Trust, dated	11/08/22	11/21/22
5/11/1993		
c/o James Randolph Hubbard,		
Trustee		
1022 County Street 2927		
Tuttle, OK 73089		
Mekusukey Oil Company, LLC	11/08/22	11/17/22
P.O. Box 816		
Wewoka, OK 74884-0816		
George M. O'Brien & wife, Susan	11/08/22	11/17/22
O'Brien		
P.O. Box 1743		
Midland, TX 79702		
Lawren Rae Culver Robertson	11/08/22	11/16/22
12113 ECR 102		
Midland, TX 79706		
Roca Resource Company, Inc.	11/08/22	11/21/22
P.O. Box 1981		
Midland, TX 79702		
Sympson Family LLC	11/08/22	Per USPS Tracking
1265 Augusta Court		(Last checked 11/28/22):
Shawnee, OK 74801		
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		facility.

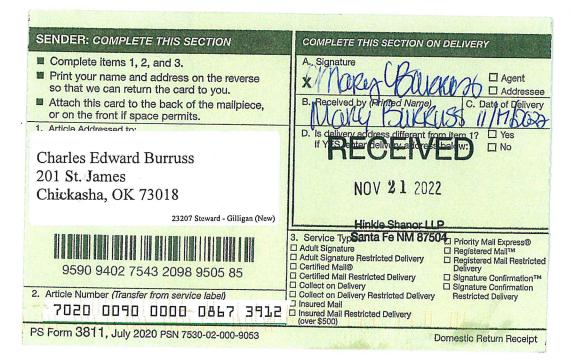
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## Steward Energy II, LLC Case No. 23207 Exhibit C-3

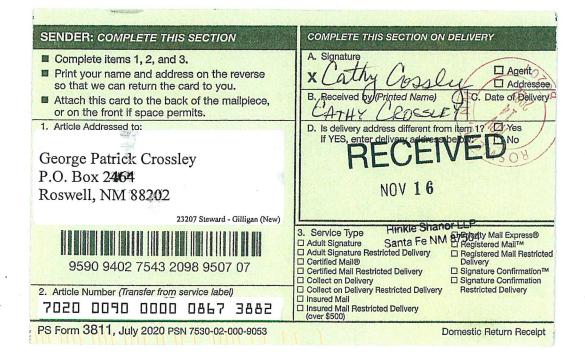








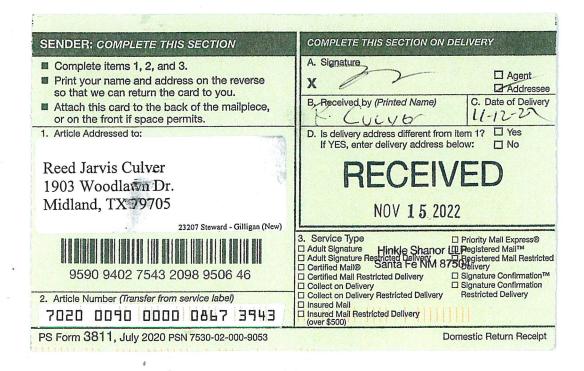












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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature X May Latte Agent B. Received by (Printed Name) Mary Ketter C. Date of Delivery
1. Article Addressed to: Estate of Genevieve I. Ketter c/o Mary K. Ketter 307 W. Martin Ave. Comanche, TX 76442 23207 Steward - Gilligan (New)	D. Is delivery address different from item 1? If YES, enter delivery address below: NOV 1 8 2022
9590 9402 7543 2098 9506 60 2. Article Number (Transfer from service label) 7020 0090 0000 0867 3868	3. Service Type Hinkle Shanor Henrity Mail Express® Adult Signature Restricted Delivery ☐ Registered Mail™ Certified Mail® ☐ Certified Mail® ☐ Signature Confirmation™ Collect on Delivery ☐ Signature Confirmation Collect on Delivery Restricted Delivery ☐ Signature Confirmation Insured Mail Restricted Delivery ☐ Signature Confirmation Insured Mail Restricted Delivery ☐ Signature Confirmation Signature Confirmation
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

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r-	Midland, TX 79702	
	C 23207 Steward - Gilligan (New)	
	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Revers	se for Instructions



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1 1 1 1 1	First Roswell Company

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<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature, X Agent B. Received by (Printed Name) Kay Skieder 1115/22
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Roswell, NM 88202	
23207 Steward - Gilligan (New)	HINKIE Shanor I L P
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2. Article Number (Transfer from service label)	Collect on Delivery Restricted Delivery     Insured Mail
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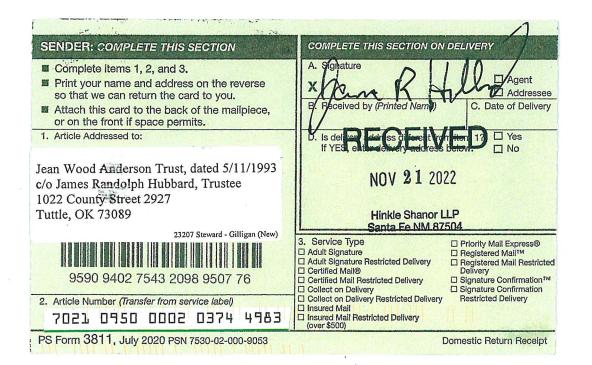
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	STo Mekusukey Oil Company, LLC F P.O. Box 816 Wewoka, OK 74884-0816 C 23207 Steward - Gilligan (New)

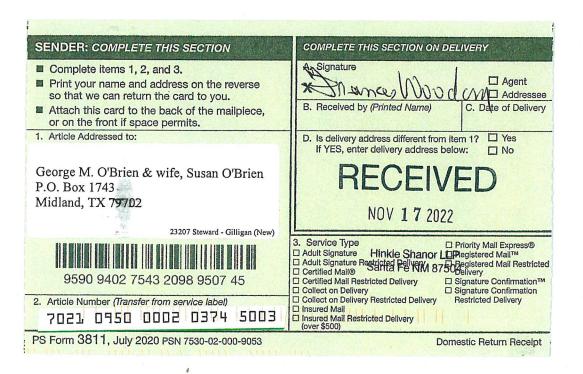
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> <li>Mekusukey Oil Company, LLC</li> </ul>	A. Signature X Agent B. Received by (Printed Name) D. Is delivery address different from item 1? If YES, enter delivery address below: RECEIVED
P.O. Box 816 Wewoka, OK 74884-0816 23207 Steward - Gilligan (New)	NOV 1 7 2022
9590 9402 7543 2098 9507 69 2. Article Number (Transfer from service label) 7021 0950 0002 0374 4990	3. Service Type Hinkle Shanor L⊡Priority Mail Express® Adult Signature Restricted Delivery Bestricted Delivery Bestricted Delivery Signature Confirmation™ Certified Mail® Certified Mail® Certified Mail® Collect on Delivery Restricted Delivery Insured Mail Bestricted Delivery
PS Form 3811, July 2020 PSN 7530-02-000-9053	(over \$500) Domestic Return Receipt

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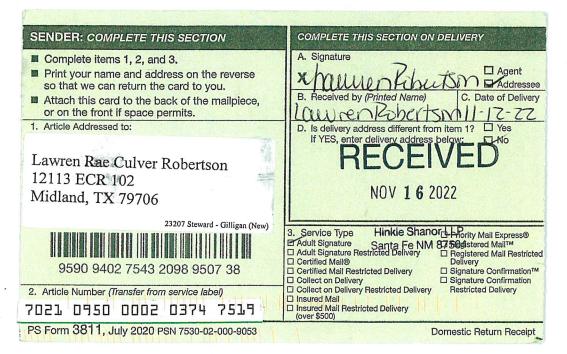
S Form 3800, April 2015 PSN 7530-02-000-9047



See Reverse for Instructions

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7021	Roca Resource Company, Inc.     P.O. Box 1981     Midland, TX 79702     23207 Steward - Gilligan (New)



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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 16, 2022 and ending with the issue dated November 16, 2022.

Jussel 1

Publisher

Sworn and subscribed to before me this 16th day of November 2022.

**Business Manager** 

My commission expires January 29, 2023 (Seal) GUSSIE BLACK Notary Public - State of New Mexico Commission # 1087526 My Comm, Expires Jan 29, 2023

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 16, 2022

This is to notify all interested parties, including Estate of Genevieve I. Ketter c/o Robert Ketter; Estate of Genevieve I. Ketter c/o Robert Ketter; Estate of Genevieve I. Ketter c/o Jim R. Ketter; Estate of Genevieve I. Ketter c/o Jim R. Ketter; Mekusukey Oil Company, LLC; Leslie Diane Beckmann; Ellen Ann Berry; Charles Edward Burruss; John David Burruss; Carnegie Energy, LLC; George Patrick Crossley; Cory Lanier Culver; John Thomas Culver; Beed Javis Culver; First Boswell Company; George Crossley; Cory Lanier Culver; John Thomas Culver; Reed Jarvis Culver; First Roswell Company; George M. O'Brien and wife, Susan O'Brien; J.O. Wood Family Limited Partnership; Jean Wood Anderson Trust, dated 5/11/1993 c/o James Randolph Hubbard, Trustee; Lawren Rae Culver Robertson Roca Resource Company, Inc.; Roy G. Barton & Opal Barton Revocable Trust, dated 1/28/1982 c/o Roy G. Barton, Jr.; Sympson Family LLC; 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. 23207). The hearing will be conducted remotely on December 1, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: https://www.emprd.nm.gov/ocd/hearingthat date: https://www.emnrd.nm.gov/ocd/hearing-info/, Applicant applies for an order pooling all uncommitted interests in the San Andres Formation underlying a 276.17-acre, more or less, standard horizontal spacing unit comprised of the W/2 SE/4, SW/4 NE/4, and Lots 1, 2, 5, 6, and 7 (E/2 equivalent) of irregular Section 2, Township 13 South, Range 38 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Gilligan Fee 2H well, which will be drilled from a surface hole location in Lot 4 (SE/4 SE/4 equivalent) of irregular Section 35, Township 12 South, Range 38 East, to a bottom hole location in Lot 7 (SE/4 SE/4 equivalent) of irregular Section 2, Township 13 South, Range 38 East. The completed interval of the well will be orthodox and will be located within 330' of the Unit's internal quarter-quarter section line to allow for the creation of a standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost the section of the section in the section of the cost the section of the section in the section of the cost the section of the section in the section of the section section of the section in the section of the section section of the section in the section in the section section in the section in the section in the section section of the section in the section in the section section is set to be set in the section in the section section in the section in the section in the section section is set in the section in the section section in the section in the section in the section section is set in the section in the section in the section section is set in the section section is set in the section is section in the section is set in the section in the section in the section is set in the section in the section in the section is set in the section in the section is set in the section in the section in the section is set in the section in the section in the section is set in the section in the section in the section in the section is set in the section in the secti completing the well and the allocation of the cost, 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 14.6 miles southeast of Tatum, New Mexico. #00273167

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GILBERT HINKLE, SHANOR LLP PO BOX 2068 SANTA FE, NM 87504 00273167

Steward Energy II, LLC Case No. 23207 Exhibit C-4