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

CASE NO. 23209

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	Chronology of Contact
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

COMPULSORY POOLING APPLICATION CHECKLIST

Case No.:	23209
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	Wexler
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-acre
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480-acre
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	SE/4 of Section 3 and the E/2 of Section 10, 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 Wexler Fee 2H will be located within 330' of the quarter-quarter section line separating the W/2 SE/4 and E/2 SE/4 of Section 3 and the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Section 10 to allow for the creation of a 480-acre standard horizontal spacing unit.
Proximity Defining Well: if yes, description	Wexler Fee 2H
Well(s)	
Name & API (if assigned), surface and bottom hole location,	Add wells as needed
footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Wexler Fee 2H (API # pending) SHL: 2580' FNL & 1310' FEL (Unit H), Section 3, T13S-R38E BHL: 100' FSL & 1310' FEL (Unit P), Section 10, T13S-R38E Completion Target: San Andres (Approx. 5367' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
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) Released to Imaging: 11/29/2022 1:26:47 PM	Exhibit C-4

Received by OCD: 11/29/2022 1:25:34 PM	Page 3 of
Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
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. 23209

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 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 land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in this 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 480-acre, more or less, standard horizontal spacing unit comprised of the SE/4 of Section 3 and the E/2 of Section 10, Township 13 South, Range 38 East, Lea County, New Mexico ("Unit").

5. The Unit will be dedicated to the **Wexler Fee 2H** well ("Well"), which will be horizontally drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 3, Township 13 South, Range 38 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 10, Township 13 South, Range 38 East.

> Steward Energy II, LLC Case No. 23209 Exhibit A

6. The completed interval of the Well will be located within 330' of the quarterquarter section line separating the W/2 SE/4 and E/2 SE/4 of Section 3 and the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Section 10 to allow for the creation of a 480acre 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/ https://www.legacy.com/

2

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.

13. Steward has conducted a diligent search of all county public records, including phone directories and computer databases, as well as internet searches to locate interest owners it seeks to pool.

14. 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**.

15. 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 rated charged by Steward and other operators in the vicinity.

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

17. 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.

3

18. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 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 handwritten next to my signature below.

<u>M. A. 2</u> Taylor Warren

11/14/2022 Date

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

CASE NO. 23209

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 480-acre, more or less, standard horizontal spacing unit comprised of the SE/4 of Section 3 and the E/2 of Section 10, 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 **Wexler Fee 2H** well ("Well"), to be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 3, Township 13 South, Range 38 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 10, 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 quarterquarter section line separating the W/2 SE/4 and E/2 SE/4 of Section 3 and the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Section 10 to allow for the creation of a 480acre standard horizontal spacing unit.

> Steward Energy II, LLC Case No. 23209 Exhibit A-1

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.

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.

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 480-acre, more or less standard horizontal spacing unit comprised of the SE/4 of Section 3 and the E/2 of Section 10, Township 13 South, Range 38 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Wexler Fee 2H** well ("Well"), which will be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 3, Township 13 South, Range 38 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 10, Township 13 South, Range 38 East. The completed interval of the Well will be orthodox. The completed interval of the Well will be located within 330' of the quarter-quarter section line separating the W/2 SE/4 and E/2 SE/4 of Section 3 and the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Section 10 to allow for the creation of a 480-acre 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 13.8 miles southeast of Tatum, New Mexico.

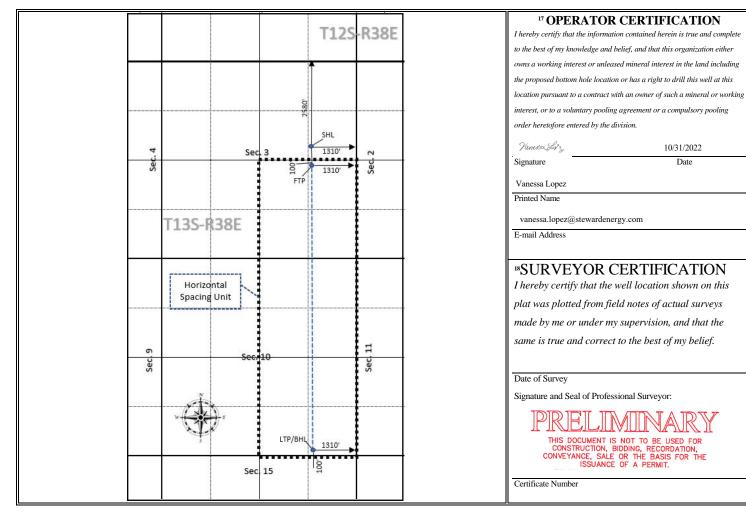
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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 ² Pool Code ³ Pool Name 7500 BRONCO; SAN ANDRES SOUTH ⁴ Property Code 5 Property Name ⁶ Well Number WEXLER FEE 2H⁸ Operator Name 7 OGRID No. ⁹Elevation 371682 STEWARD ENERGY II, LLC ¹⁰ Surface Location UL or lot no. Feet from the East/West line Section Township Range Lot Idn North/South line Feet from the County LEA Η 3 13S 38E 2580 EAST NORTH 1310 ¹¹ Bottom Hole Location If Different From Surface UL or lot no. Feet from the North/South line Section Township Range Lot Idn Feet from the East/West line County SOUTH Р 100 1310 38E EAST 10 13S LEA 12 Dedicated Acres ³ Joint or Infill 14 Consolidation Code Order No. 480.00

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.

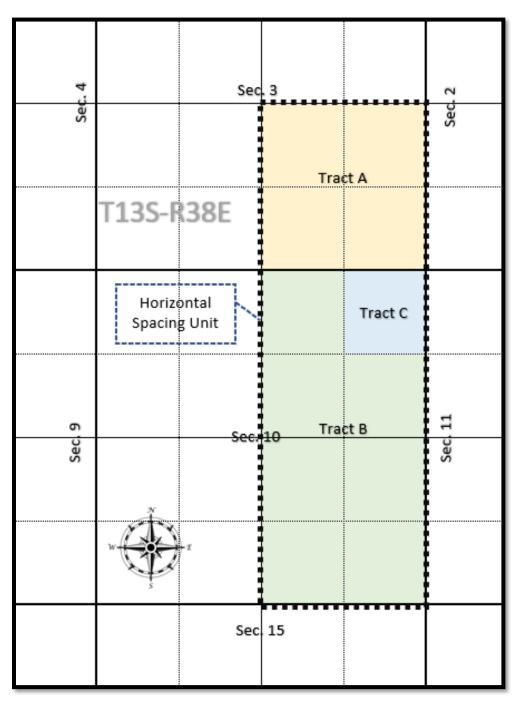


Steward Energy II, LLC Case No. 23209 Exhibit A-2

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EXHIBIT A-3

Wexler Fee SE/4 of Section 3 & E/2 of Section 10, T13S-R38E, N.M.P.M Lea Co., NM



Steward Energy II, LLC Case No. 23209 Exhibit A-3

EXHIBIT A-3

Tract A - (SE/4 of Section 3, T13S-R38E, being 160.00 Acres)

Steward Energy II, LLC WI 100.00000%

Tract B - (E/2, SAVE & EXCEPT the NE/4NE/4 of Section 10, T13S-R38E, being 280.00 Acres)

Steward Energy II, LLC WI 86.958552%

Tract C - (NE/4NE/4 of Section 10, T13S-R38E, being 40.00 Acres)

Steward Energy II, LLC WI 86.958552%

.

EXHIBIT A-3

Tract A

(SE/4 of Section 3, T13S-R38E, being 160.00 Acres)

<u>Committed</u>				
<u>Owner</u>	Type		<u>Ownership</u>	<u>Status</u>
Steward Energy II, LLC	WI		100.000000%	Committed
		Total:	100.000000%	
<u>Uncommitted</u>				
<u>Owner</u>	<u>Type</u>		<u>Ownership</u>	<u>Status</u>
		Total:	0.00000%	
	Gra	nd Total:	100.00000%	

Tract B

(E/2, SAVE & EXCEPT the NE/4NE/4 of Section 10, T13S-R38E, being 280.00 Acres)

<u>Committed</u>				
Owner Steward Energy II, LLC	<u>Түре</u> WI		<u>Ownership</u> 86.958552%	<u>Status</u> Committed
		Total:	86.958552%	
<u>Uncommitted</u>				
<u>Owner</u>	<u>Type</u>		<u>Ownership</u>	<u>Status</u>
Brazil, Doug	MI		0.064453%	Uncommitted
Brown, Jessica Hyde	MI		1.406250%	Uncommitted
Caprock Energy, LLC	MI		0.257813%	Uncommitted
Dallas, Janet B.	MI		0.555555%	Uncommitted
Estate of Calvin Townsend	MI		0.555555%	Uncommitted
Estate of Eva S. Dye Bottom	MI		0.555555%	Uncommitted

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		Grand Total:	100.00000%	
		Total:	13.041448%	
Townsend, Robert	MI		0.555555%	Uncommitted
Townsend, Melvin	MI		0.555555%	Uncommitted
Townsend, Leroy B.	MI		0.555555%	Uncommitted
Townsend, Daryl Ray	MI		0.555555%	Uncommitted
Shortes, Ronald W.	MI		0.292969%	Uncommitted
Shortes, Casey	MI		0.292969%	Uncommitted
Estate of Carloss Dean Alexander	MI		0.644532%	Uncommitted
Page, Steven Scott	MI		0.138888%	Uncommitted
Page, Kelby Troy	MI		0.416667%	Uncommitted
Martin, Susan Werhan	MI		0.520833%	Uncommitted
Kirkpatrick, Dena	MI		0.429688%	Uncommitted
Joyce A. Holder Trust, dated 9/13/1991	MI		1.562500%	Uncommitted
Hillhouse, Phillip Maverick	MI		1.041667%	Uncommitted
Hillhouse, George Shelton	MI		1.041667%	Uncommitted
Hillhouse IV, James Douglas	MI		1.041667%	Uncommitted

Tract C

(NE/4NE/4 of Section 10, T13S-R38E, being 40.00 Acres)

<u>Owner</u>	<u>Type</u>		<u>Ownership</u>	<u>Status</u>
Steward Energy II, LLC	WI		86.958552%	Committed
		Total:	86.958552%	
<u>Uncommitted</u>				
<u>Owner</u>	Туре		<u>Ownership</u>	<u>Status</u>
Brazil, Doug	MI		0.064453%	Uncommitted
Brown, Jessica Hyde	MI		1.406250%	Uncommitted
Caprock Energy, LLC	MI		0.257813%	Uncommitted
Dallas, Janet B.	MI		0.555555%	Uncommitted

Committed

•

		Grand Total:	100.000000%	
		Total:	13.041448%	
Townsend, Robert	MI		0.555555%	Uncommitted
Townsend, Melvin	MI		0.555555%	Uncommitted
Townsend, Leroy B.	MI		0.555555%	Uncommitted
Townsend, Daryl Ray	MI		0.555555%	Uncommitted
Shortes, Ronald W.	MI		0.292969%	Uncommitted
Shortes, Casey	MI		0.292969%	Uncommitted
Estate of Carloss Dean Alexander	MI		0.644532%	Uncommitted
Page, Steven Scott	MI		0.138888%	Uncommitted
Page, Kelby Troy	MI		0.416667%	Uncommitted
Martin, Susan Werhan	MI		0.520833%	Uncommitted
Kirkpatrick, Dena	MI		0.429688%	Uncommitted
Joyce A. Holder Trust, dated 9/13/1991	MI		1.562500%	Uncommitted
Hillhouse, Phillip Maverick	MI		1.041667%	Uncommitted
Hillhouse, George Shelton	MI		1.041667%	Uncommitted
Hillhouse IV, James Douglas	MI		1.041667%	Uncommitted
Estate of Eva S. Dye Bottom	МІ		0.555555%	Uncommitted
Estate of Calvin Townsend	MI		0.555555%	Uncommitted

Recapitulation

Committed

<u>Owner</u>	Type	<u>Ownership</u>
Steward Energy II, LLC	WI	91.305699%
	Total:	91.305699%

Uncommitted

<u>Owner</u>	Туре	<u>Ownership</u>
Brazil, Doug	МІ	<mark>0.042969%</mark>
Brown, Jessica Hyde	МІ	<mark>0.937500%</mark>
Caprock Energy, LLC	МІ	<mark>0.171875%</mark>
Dallas, Janet B.	MI	<mark>0.370370%</mark>
Estate of Calvin Townsend	MI	<mark>0.370370%</mark>
Estate of Eva S. Dye Bottom	MI	<mark>0.370370%</mark>
Hillhouse IV, James Douglas	MI	<mark>0.694445%</mark>
Hillhouse, George Shelton	MI	<mark>0.694445%</mark>
Hillhouse, Phillip Maverick	MI	<mark>0.694445%</mark>
Joyce A. Holder Trust, dated 9/13/1991	MI	<mark>1.041667%</mark>
Kirkpatrick, Dena	MI	<mark>0.286459%</mark>
Martin, Susan Werhan	MI	<mark>0.347222%</mark>
Page, Kelby Troy	MI	<mark>0.277778%</mark>
Page, Steven Scott	MI	<mark>0.092592%</mark>
Estate of Carloss Dean Alexander	МІ	<mark>0.429688%</mark>
Shortes, Casey	МІ	<mark>0.195313%</mark>
Shortes, Ronald W.	МІ	<mark>0.195313%</mark>

		Grand Total:	100.00000%
		Total:	8.694301%
Townsend, Robert	MI		<mark>0.370370%</mark>
Townsend, Melvin	MI		<mark>0.370370%</mark>
Townsend, Leroy B.	MI		<mark>0.370370%</mark>
Townsend, Daryl Ray	MI		<mark>0.370370%</mark>



November 1, 2022

CERTIFIED MAIL #7022 0410 0003 4658 5036

Caprock Energy, LLC PO Box 7172165 Stateline, NV 89449

Re: <u>Notice of Surface Hole Location Change</u> Well Proposal - Wexler Fee 2H SE/4 of Section 3 & E/2 of Section 10 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 Wexler 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 SE/4 of Section 3 & E/2 of Section 10:

2,580 feet from the north line and 1,310 from the east line of Section 3, Township 13 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. 23209 Exhibit A-4



*******VIA CERTIFIED U.S.P.S. MAIL #7020 0640 0001 4846 8477******

August 29, 2022

Re: Steward Energy II, LLC Well Proposal – <u>Wexler Fee 2H</u> SE/4 of Section 3 & E/2 of Section 10 Township 13 South, Range 38 East, N.M.P.M. Lea County, New Mexico

Janet B. Rogers 17606 North Yaupon Circle Tomball, TX 77377

Dear Mineral Owner,

This letter will serve as notice regarding the plans of Steward Energy II, LLC ("Steward") to drill the Wexler Fee 2H ("Well") as a horizontal well, targeting the San Andres Formation with an approximate total depth drilled of 12,696 feet. The Well's surface hole will be located approximately 670 feet from the north boundary line and 1310 feet from the east boundary line of Section 3, 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 Southeast Quarter (SE/4 of Section 3 and the East Half (E/2) of Section 10, 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 1310 feet from the east boundary line of the Spacing Unit. The Well's last take point will be located approximately 100 feet from the south boundary line and 1310 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 of the Spacing Unit. The Well's last take point will be located approximately 100 feet from the east boundary line of the Spacing Unit.

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 \$1,983,390, with an additional \$3,348,900 to complete the well (Total \$5,332,290). 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 Wexler 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: 0.370370%

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

Janet B. Rogers

Ву:_____

AUTHORIZATION FOR EXPENDITURE

Well Name	Wexler Fee 2H (TBD)					
Operator	: Steward Energy II, LLC				AFE Number:	TBD
Well Type	Horizontal Oil	AFE Type:	New Drill		AFE Date:	8/31/2022
Lega	SE/4 of Section 3 & E/2 of Section 10, Township 13	Prop. Depth:	Approx. 5367.00 TVD, 12696.30 I	MD	County, State:	Lea County, NM
Description	South, Range 38 East, N.M.P.M.	Field:	Bronco, San Andres, South		Prep. By:	Tim Hilton
First Tal	ke Point: 100' FNL and 1,310' FEL (Section 3, Townshi	hip 13 South, Range	38 East, N.M.P.M.)			
Last Tal	ke Point: 100' FSL and 1,310' FEL (Section 10, Towns	ship 13 South, Rang	e 38 East, N.M.P.M.)			
Project Des	scription: Drill & Complete a 1.5 mile San Andres h	orizontal.				
Account #	Cost Breakdown	Drilling	Dry Hole Complet	ion Cost	Workover	Total
8200.100	Land, Surveying & Legal	\$20,500	\$20,500			\$20,500
8200.101	Abstract, Title & Permit	\$5,000	\$5,000			\$5,000
8200.102	ROW & Surface Damages	\$15,000	\$15,000			\$15,000
8200.103	Road, Pad Location & Pit Building	\$32,000	\$32,000			\$32,000
8200.104	Environ, Reg & Safety	\$5,250	\$5,250			\$5,250
8200.105	Well Insurance	\$3,200	\$3,200			\$3,200
8200.113	Contract Labor	\$6,950	\$6,950			\$6,950
8200.114	Consulting Services & Contract Supervision	\$62,500	\$62,500			\$62,500
8200.120	Vacuum & Pump Truck	\$2,500	\$2,500			\$2,500
8200.122	Material Transportation	\$10,400	\$10,400			\$10,400
8200.126	Fuel	\$60,600	\$60,600			\$60,600
8200.131	Chemical-Downhole Treating	\$2,160	\$2,160			\$2,160
8200.132	Mud & Additives	\$30,800	\$30,800			\$30,800
8200.140	Mob/Demob	\$20,500	\$20,500			\$20,500
8200.141	Mud Disposal/Pit Closure	\$150,500	\$150,500			\$150,500
8200.142	Trailer Rental, Camp & Catering	\$22,000	\$22,000			\$22,000
8200.144	Drilling Rig - Daywork or Footage	\$190,800	\$190,800			\$190,800
8200.149	Bits, Mills & Reamers	\$24,800	\$24,800			\$24,800
8200.151	Directional Services	\$114,000	\$114,000			\$114,000
8200.160	Casing Crews & Services	\$14,700	\$14,700			\$14,700
8200.161	Cementing Services	\$120,000	\$120,000			\$120,000
8200.169	Water Transfer	\$7,000	<i><i><i>¹</i></i></i>			\$7,000
8200.170	Water Purchase	\$24,000	\$24,000			\$24,000
8200.175	Surface Equipment Rental & Services	\$75,800	\$75,800			\$75,800
8200.193	Downhole Inspection/Testing - Casing, Tubing &	\$18,650	\$18,650			\$18,650
8200.301	Rods Overhead	\$10,000	\$10,000			\$10,000
	IDC Total:	\$1,042,610	\$1,042,610			\$1,049,610
8250.200	Conductor/Drive Pipe	\$19,800	\$19,800			\$19,800
8250.201	Surface Casing	\$141,600	\$141,600			\$141,600
8250.203	Production Casing	\$710,700	\$710,700			\$710,700
8250.205	Wellhead Equipment, Flow Tee & Meter Run	\$16,680	\$16,680			\$16,680
8250.214	Other Downhole Equipment	\$45,000	\$45,000			\$45,000
	TDC Total:	\$933,780	\$933,780			\$933,780
	Development Drlg/Comp Total:	\$1,976,390	\$1,976,390			\$1,983,390
8300.114	Consulting Services & Contract Supervision					\$65,000
0000.111						\$8,000
8300.120	Vacuum & Pump Truck					
	Vacuum & Pump Truck Material Transportation					\$12,000
8300.120	·					\$12,000 \$5,000
8300.120 8300.122	Material Transportation					

The sector state	OPH DIS MOLOODA 1 AL AL DIS	Dette	Deville	Completion Cost	Monkeyer	TetaD At
Received by 8300.143	Well Control - BOP, Isolation Assy	Drilling	Dry Hole	Completion Cost	Workover	Tot <i>Page 24</i>
8300.143	Completion/Workover Rig					\$105,000 \$30,450
8300.148	Reverse Unit					\$20,000
	Bits, Mills & Reamers					
8300.149	Wireline & Perforating					\$3,600
8300.164	-	¢ 40,000				\$132,000
8300.169	Water Transfer	\$40,000				\$40,000
8300.170	Water Purchase					\$160,250
8300.171	Stimulation - Frac, Acid, Gravel Pack					\$1,950,000
8300.175	Surface Equipment Rental & Services					\$60,000
8300.176	Downhole Equipment Rental & Services					\$30,000
8300.179	Elect & Generator R&M					\$94,000
	ICC Total:					\$2,723,800
8350.205	Wellhead Equipment, Flow Tee & Meter Run	\$16,000				\$16,000
8350.206	Tubing					\$58,000
8350.211	Electric Submersible Pumps					\$265,500
8350.213	Frac Plugs, Bridge Plus, Packers, Tubing Anchors					\$32,000
8350.221	Surface VSD, Transformer, POC & Associated Equipment					\$28,000
8350.234	Surface Pump & LACT's					\$1,600
	TCC Total:					\$401,100
8600.100	Land, Surveying, & Legal	\$1,000				\$1,000
8600.102	ROW & Surface Damages	\$5,500				\$5,500
8600.111	Company Supervision	\$4,500				\$4,500
8600.120	Vaccum & Pump Truck	\$4,000				\$4,000
8600.122	Material Transportation	\$2,000				\$2,000
8600.175	Surface Equipment Rental & Services	\$2,000				\$2,000
	IFC Total:					\$19,000
8650.222	Instrumentation & Meters	\$6,500				\$6,500
8650.223	SCADA & Communications	\$5,000				\$5,000
8650.224	Electrial Installation & Power Generation	\$10,000				\$10,000
8650.229	Prod & SWD Facility Inst.	\$50,000				\$50,000
8650.231	Separator, Heater Treater, FWKO	\$75,000				\$75,000
8650.233	Flowline & Gethering Lines	\$8,500				\$8,500
8650.235	Miscellaneous Non-Controllable - Pipe, Valves & Fittings	\$50,000				\$50,000
	TFC Total:					\$205,000
	Development Drlg/Comp Total:					\$3,348,900
	Development Drig/ comp rotal.			Devel	opment Drlg/Comp Total:	\$5,332,290
	Sevelopment Ship/comp rotal.				opinicité Brig, comp rotain	\$5,552,250
		Net %:	0.370370%		Net Total:	\$19,749

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

- March 2020 Steward Energy II, LLC begins to acquiring oil and gas leases from the unleased mineral owners. There were originally 11 unleased mineral owners located in Tract A and originally 73 unleased mineral owners located in Tract B and C.
- August 29, 2022 Steward Energy II, LLC sends the Wexler Fee 2H well proposals to the uncommitted owners via certified U.S. Mail.

Steward Energy II, LLC Case No. 23209 Exhibit A-5

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

CASE NO. 23209

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 paths for the proposed Wexler 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 gently dipping to the south at the heel of the lateral path and north at the toe 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. 23209 Exhibit B 5. **Exhibit B-1** identified 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.

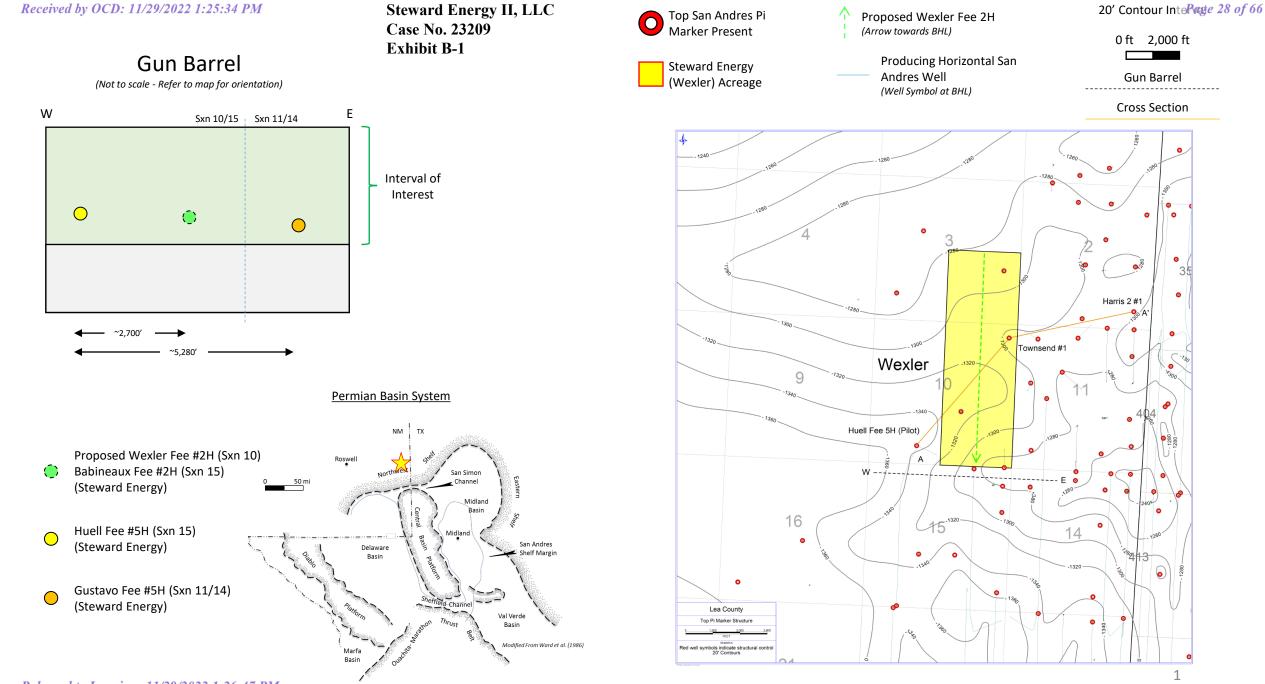
11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

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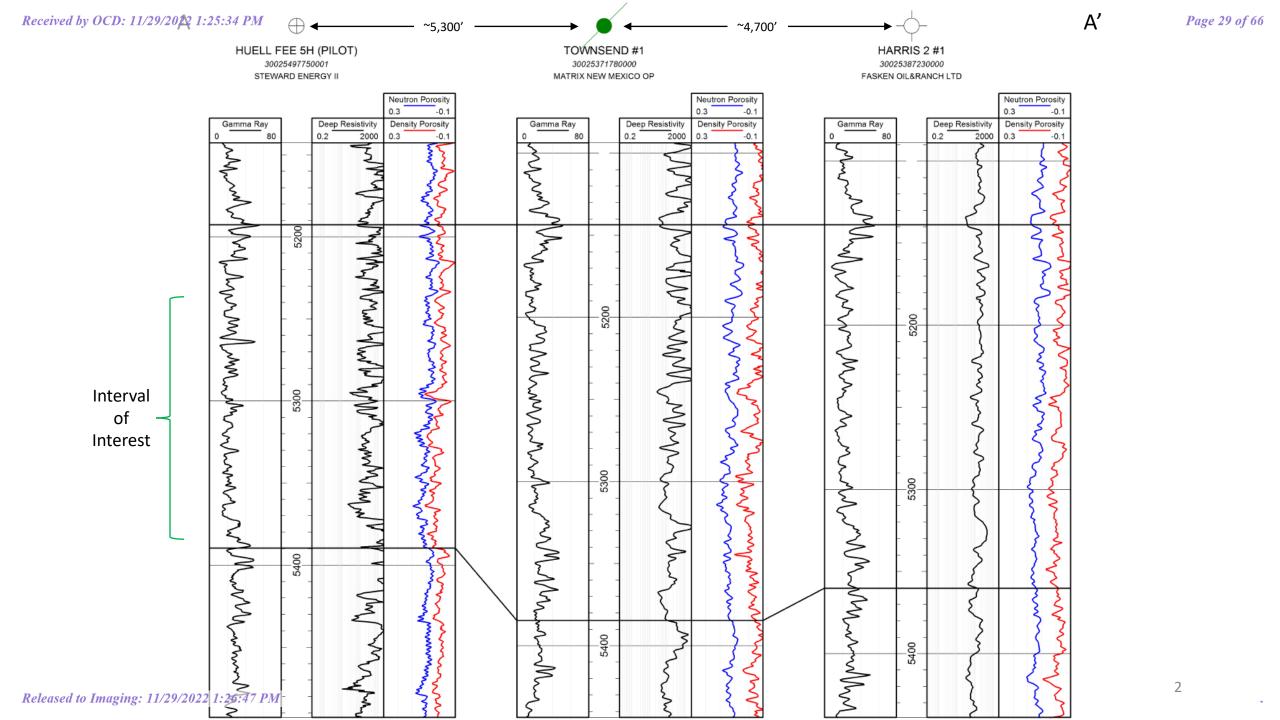
Shane Seals

11/14/22

Date



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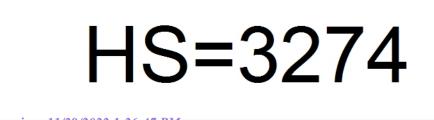
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Steward Energy II, LLC Case No. 23209 Exhibit B-2

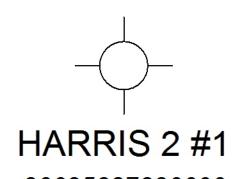
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APPLICATION OF STEWARD ENERGY II, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 23209

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. 23209 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

hinklelawfirm.com

November 8, 2022

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 23209 - 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. 23209 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. 23209

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Carla Alexander	11/08/22	11/16/22
1915 E. Water Ave.		
Lovington, NM 88260		
Carlos Dean Alexander	11/08/22	11/15/22
c/o Matthew Dean Alexander, AIF		
706 East McDonald Road		
Lovington, NM 88260		
Andrew Dale Apodaca	11/08/22	Per USPS Tracking
3917 Delamar Avenue, NE		(Last checked 11/28/22)
Albuquerque, NM 87110		
		11/28/22 – Item being
		returned to sender.
Charles Berdell	11/08/22	Per USPS Tracking
4533 41st Avenue, SW, Unit C		(Last checked 11/28/22)
Seattle, WA 98116		
		11/27/22 – Item in transit
		to next facility.
Doug Brazil	11/08/22	Per USPS Tracking
PO Box 624		(Last checked 11/28/22)
Fulshear, TX 77441		
		11/22/22 – Item picked
		up from post office.
Jessica Hyde Brown	11/08/22	Per USPS Tracking
4401 Windward Circle		(Last checked 11/28/22)
Dallas, TX 75287		
		11/27/22 – Item in transit
		to next facility.
Jessica Hyde Brown	11/08/22	11/15/22
802 Ridgemont Dr.		
Allen, TX 75002	11/00/00	11/10/22
Buckhorn Minerals IV, LP	11/08/22	11/18/22
1885 St. James Place, Suite 820		
Houston, TX 77056		No signature –
	11/00/00	COVID 19.
Caprock Energy, LLC	11/08/22	11/18/22
PO Box 7172165		
Stateline, NV 89449		

Steward Energy II, LLC Case No. 23209 Exhibit C-2

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

CASE NO. 23209

NOTICE LETTER CHART

Janet B. Dallas	11/08/22	11/17/22
17606 North Yaupon Circle		
Tomball, TX 77377		
Delta 08, LLC	11/08/22	11/15/22
PO Box 471365		
Fort Worth, TX 76147		
Susan Whitson DeVries	11/08/22	11/17/22
5229 Cochran Drive		
Nashville, TN 37220		No signature –
		COVID 19.
Estate of Calvin Townsend	11/08/22	11/16/22
3701 Dawn Ave.		
Odessa, TX 79762		
Estate of Eva S. Dye Bottom	11/08/22	11/28/22
c/o Cherel Park		
18700 Devon Road		
Canyon, TX 79015-6858		
George Shelton Hillhouse	11/08/22	11/17/22
900 North Weston Lane		
Austin, TX 78733		
James Douglas Hillhouse, IV	11/08/22	Per USPS Tracking
1901 McCall Road		(Last checked 11/28/22)
Austin, TX 78703		
		11/12/22 - Item
		delivered to individual at
		the address.
Phillip Maverick Hillhouse	11/08/22	11/17/22
1400 Summitridge Drive		
Beverly Hills, CA 90210		
Kayla Rae Jeffcoat	11/08/22	Per USPS Tracking
1200 Brewer Lane		(Last checked 11/28/22)
Lavaca, AR 72941		
		11/27/22 – Item in transit
		to next facility.
Joyce A. Holder Trust, dated	11/08/22	Per USPS Tracking
9/13/1991		(Last checked 11/28/22)
c/o Joyce A. Holder, Trustee		
1106 West Avenue K		11/15/22 – Item in transit
Lovington, NM 88260		to next facility.

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

CASE NO. 23209

NOTICE LETTER CHART

Dena Kirkpatrick	11/08/22	11/18/22
PO Box 308		
Post, TX 79356		
Lavaca Minerals Company	11/08/22	11/17/22
PO Box 476		
Barker, TX 77413		
Lazy S Minerals, LLC	11/08/22	11/21/22
PO Box 100493		
Fort Worth, TX 76185		
Paul A. Lindley	11/08/22	11/21/22
216 Windmill Oaks Avenue		
Fredericksburg, TX 78624		
Susan Werhan Martin	11/08/22	11/21/22
PO Box 14		
Montezuma, GA 31063		
Phyllis K. Newcomb	11/08/22	Per USPS Tracking
4800 Wesley Road		(Last checked 11/28/22)
Amarillo, TX 79119		
		11/19/22 – Delivery
		attempted.
Kelby Troy Page	11/08/22	11/18/22
PO Box 813		
Sweeny, TX 77480		
Steven Scott Page	11/08/22	11/21/22
PO Box 813		
Sweeny, TX 77480		
Pamela A. Pauling	11/08/22	11/21/22
427 Hickory Street		
Hereford, TX 79045		
Barbara Whitson Ratliff	11/08/22	Per USPS Tracking
124 Fairway Drive, E		(Last checked 11/28/22)
Hideaway, TX 75771		
		11/15/22 – Item in transit
		to next facility.

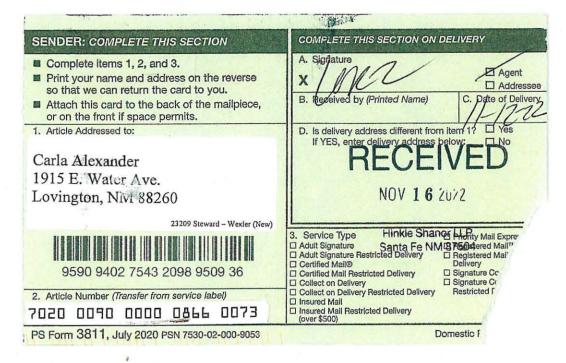
APPLICATION OF STEWARD ENERGY II, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 23209

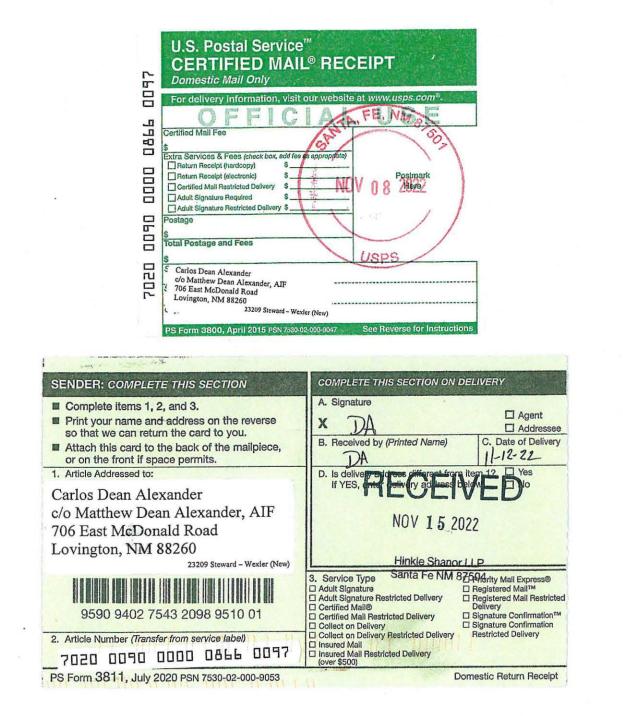
NOTICE LETTER CHART

Kimberly Ann Ruthardt 5006 100th Street	11/08/22	Per USPS Tracking (Last checked 11/28/22)
Lubbock, TX 79424		11/12/22 - Item
		delivered to an individual
		at the address.
Ryna, Inc.	11/08/22	11/28/22
PO Box 330	11/00/22	11/20/22
Fort Sumner, NM 88119		
Casey Shortes	11/08/22	11/21/22
3500 Northland Drive	11,00,22	11/21/22
Austin, TX 78731		
Ronald W. Shortes	11/08/22	11/18/22
PO Box 533		
Pie Town, NM 87827		Return to sender.
Daryl Ray Townsend	11/08/22	11/15/22
7817 Pontiac Avenue		
Lubbock, TX 79424		
Leroy B. Townsend	11/08/22	11/22/22
48 E. Dove Wing Drive		
Sedona, AZ 86336		
Melvin Townsend	11/08/22	11/15/22
PO Box 60		
McIntosh, NM 87032		
Robert Townsend	11/08/22	11/16/22
3701 Dawn		
Odessa, TX 79762		
William G. Ross & Vee K. Ross	11/08/22	Per USPS Tracking
Living Trust		(Last checked 11/28/22)
c/o Sharon R Jackson and Noell R		
Jackson, Trustees		11/15/22 – Item in transit
PO Box 86		to next facility.
Midland, TX 79702		

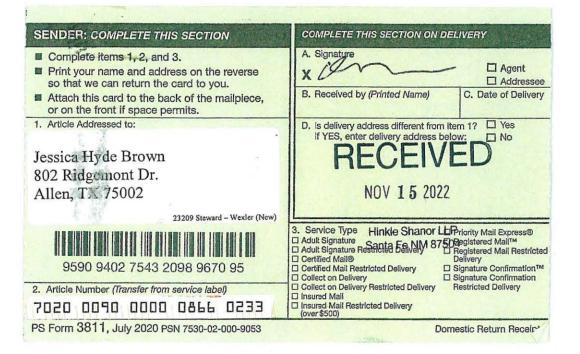




Steward Energy II, LLC Case No. 23209 Exhibit C-3



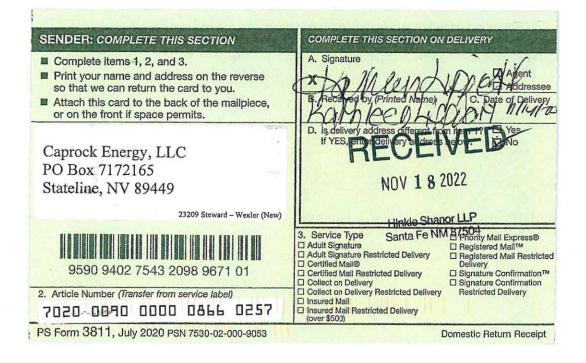




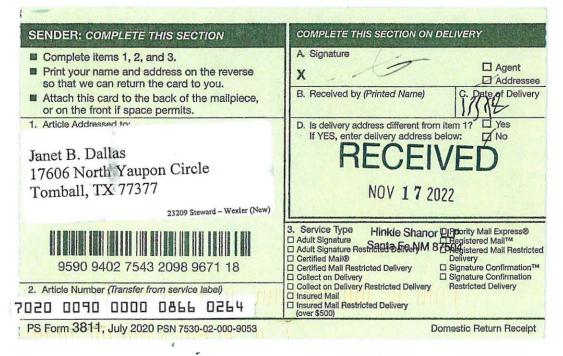


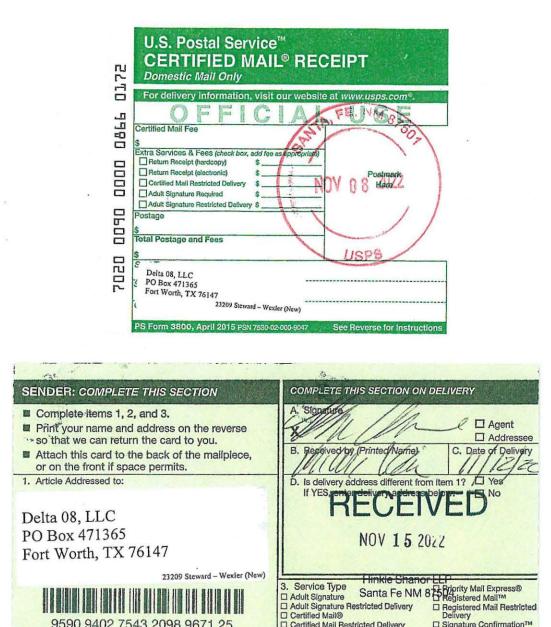












Certified Mail®
Certified Mail Restricted Delivery

Insured Mail Restricted Delivery (over \$500)

Collect on Delivery
 Collect on Delivery
 Insured Mail

□ Signature Confirmation™

Signature Confirmation

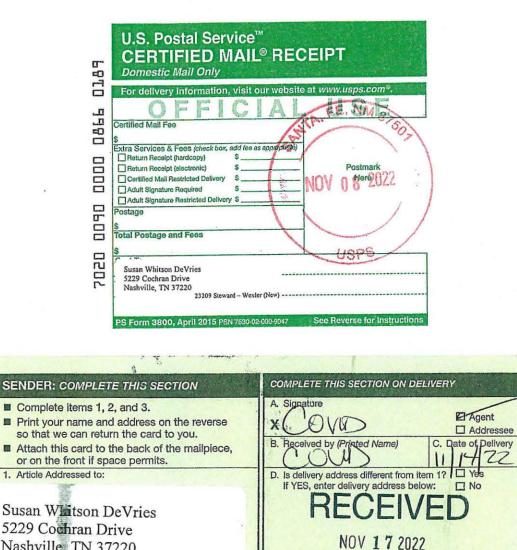
Restricted Delivery

Domestic Return Receipt

9590 9402 7543 2098 9671 25

7020 0090 0000 0866 0172 PS Form 3811, July 2020 PSN 7530-02-000-9053

2. Article Number (Transfer from service label)



3. Service Type

Certified Mail Restricted Delivery

Insured Mail
 Insured Mail Restricted Delivery (over \$500)

Collect on Delivery
Collect on Delivery Restricted Delivery

Hinkle Shanor Depiority Mail Express®

□ Signature Confirmation™ Signature Confirmation Restricted Delivery

Domestic Return Receipt

□ Adult Signature Restricted Delivery 8 Delivery 8 Delivery

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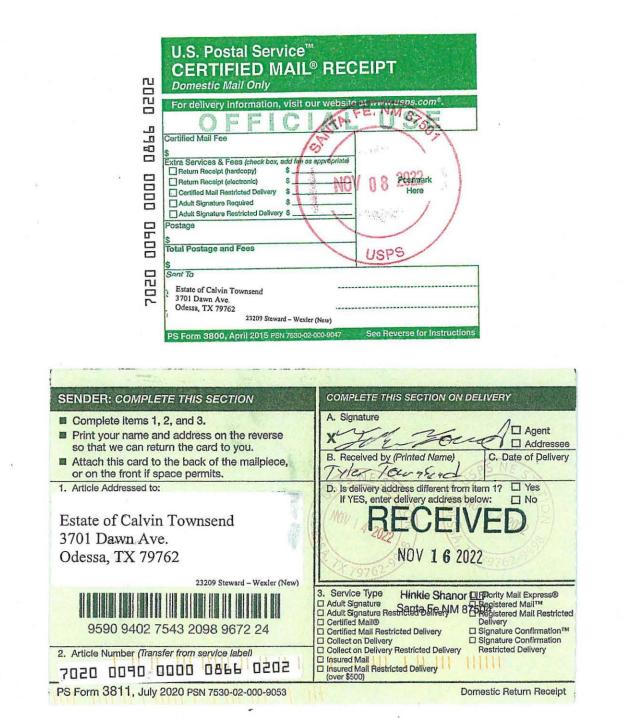
Nashville, TN 37220

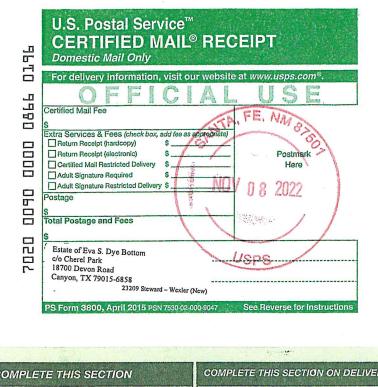
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7020 0090 0000 0866 0189 PS Form 3811, July 2020 PSN 7530-02-000-9053

2. Article Number (Transfer from service label)

23209 Steward - Wexler (New)





SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 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. Atticle Addressed to: Estate of Eva S. Dye Bottom c/o Cherel Park 18700 Devon Road Canyon, TX 79015-6858 23209 Steward - Wexler (New) 	A. Signature X Chere Park Agent B. Received by (Printed Name) C. Date of Delivery Chere Park Double of Delivery Chere Park Double of Delivery D. Is delivery address delow: If YES, enter delivery address below: RECEIVED NOV 2 8 2022
9590 9402 7543 2098 9671 56 2. Article Number (<i>Transfer from service label</i>) 7020_0090_0000_0866_0196	3. Service Type Adult Signature ReStanta Delivery Certified Mail® Collect on Delivery Collect on Delivery Restricted Delivery Collect on Delivery Restricted Delivery Cover \$500) Hinkle Shanor L□Priority Mail Express® Registered Mail™ Registered Mail™ Restricted Delivery Signature Confirmation™ Signature Confirmation Restricted Delivery Signature Confirmation Signature Confirmation Restricted Delivery Signature Confirmation Signature
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

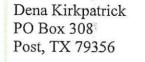




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 Phillip Maverick Hillhouse 1400 Summitridge Drive Beverly Hills, CA 90210 23209 Steward - Wexler (New Performance Provided Control of the Structure Reserved The Structure Reserved	 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front if space permits. 	A. Signature X Agent Addressee B. Received by (Arinited Name) C. Date of Delivery C. Date of Delivery C. Date of Delivery
3. Service Type Adult Signature 9590 9402 7543 2098 9671 87 Certified Mail Certified Mail Restricted Delivery Collect on Delivery Collect on Delivery Collect on Delivery Collect on Delivery Constructed De	Phillip Maverick Hillhouse 1400 Summitridge Drive	If YES, enter delivery address below: INO
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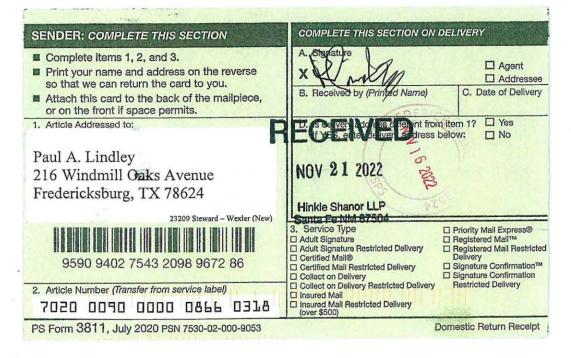




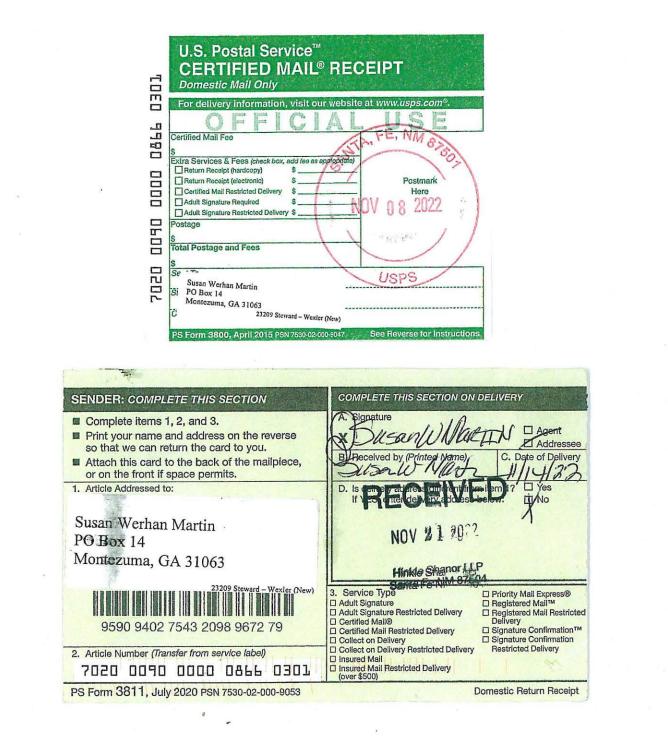
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Fort Worth, TX 76185 23209 Steward - PS Form 3800, April 2015 PSN 753	
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 SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	COMPLETE THIS SECTION ON DELIVERY A. Signature X B. Received by (Printed Name) C. Date of Delivery
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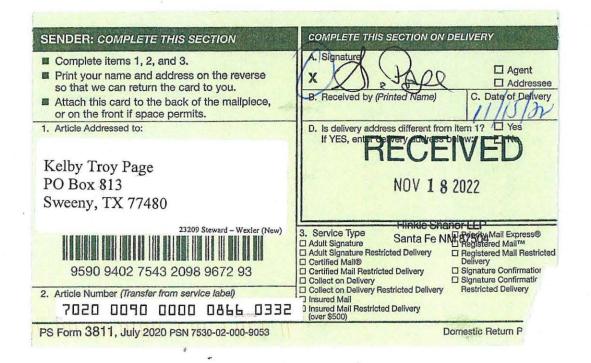




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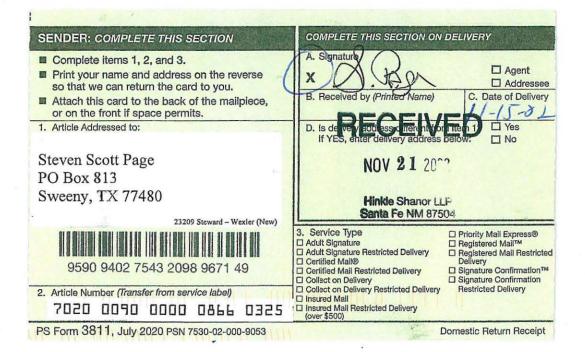


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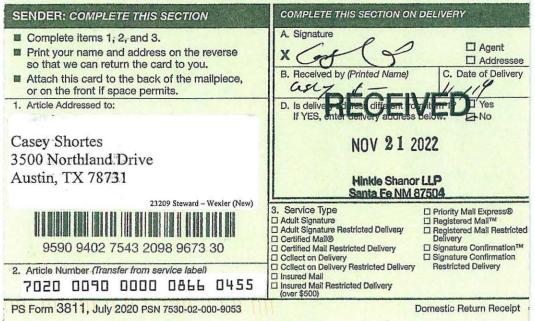
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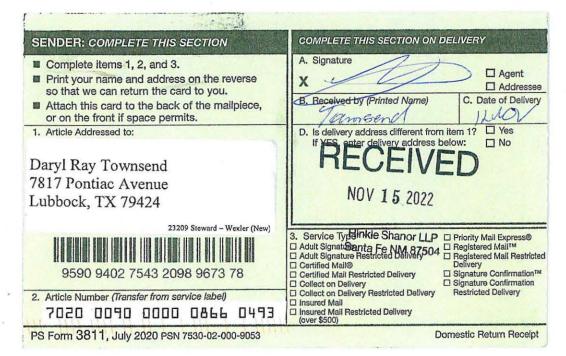
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	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions		



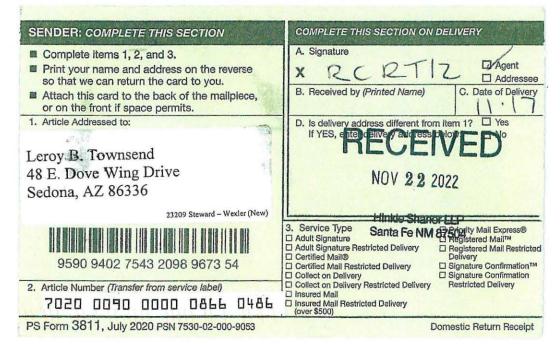


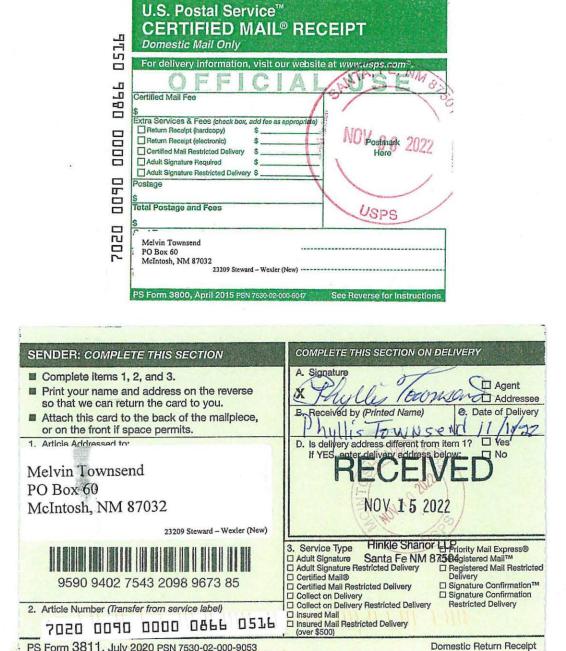












PS Form 3811, July 2020 PSN 7530-02-000-9053

LUCU	U.S. Postal Service [™] CERTIFIED MAIL [®] RECEIPT Domestic Mail Only		
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	OFFICE		
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יחבח	Soft To Robert Townsend 3701 Dawn Odessa, TX 79762 23209 Steward - Wexler (New)		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 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, 	A. Signature X. Agent B. Received by (Printed Name) C. Date of Delivery
or on the front if space permits.	D. Is delivery address different from item 1? □ Yes
Robert Townsend 3701 Dawn Odessa, TX 79762	NOV 1 6
23209 Steward – Wexler (New)	3. Service Type Hinkle Shanor LLP
9590 9402 7543 2098 9673 92	□ Adult Signature Santa Fe NM 8759 Stered Mali™ □ Adult Signature Restricted Delivery □ Registered Mail Restricted □ Certified Mail Restricted Delivery □ Signature Confirmation™ □ Collect on Delivery □ Signature Confirmation
2. Article Number (Transfer from service label) 7020 0090 0866 0509	Collect on Delivery Restricted Delivery Insured Mail Restricted Delivery (over \$500)
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

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	Lovington, NM 88260 23209 Steward - Wexler (New)





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HINKLE SHANOR LLP ATTORNEYS AT LAW POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504

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Hinkle Shanor LLP Santa Fe NM 87504

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.

hasell

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 Calvin Townsend; Estate of Eva S. Dye Bottom c/o Cherel Park; Carla Alexander; Carlos Dean Alexander c/o Matthew Dean Alexander, AIF Bottom c/o Cherel Park, Cana Alexander, Cana Dean Alexander c/o Matthew Dean Alexander, AIF Andrew Dale Apodaca; Charles Berdell; Doug Brazil Jessica Hyde Brown; Buckhorn Minerals IV, LP; Caprock Energy, LLC; Janet B. Dallas; Delta 08, LLC; Susan Whitson DeVries; James Douglas Hillhouse, IV; George Shelton Hillhouse; Phillip Maverick Hillhouse; Kayla Rae Jeffcoat; Joyce A. Holder Trust, dated 9/13/1991 c/o Joyce A. Holder, Trustee; Dena Kirkpatrick; Lavaca Minerals Company; Lazy S Minerals, LLC; Paul A. Lindley; Susan Werhan Martin; Phyllis K. Newcomb; Kelby Troy Page; Steven Scott Page; Pamela A. Pauling Barbara Whitson Ratliff; Kimberly Ann Ruthardt Ryna, Inc.; Casey Shortes; Ronald W. Shortes; Daryl Ray Townsend; Leroy B. Townsend; Melvin Townsend; Robert Townsend; William G. Ross & Vee K. Ross Living Trust c/o Sharon R Jackson and Noell R Jackson, Trustees; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application Division will conduct a hearing on an application Division will conduct a hearing on an application submitted by Steward Energy II, LLC (Case No. 23209). 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.emnrd.nm.gov/ocd/hearing-info/. Applicant applies for an order pooling all info/. Applicant applies for an order pooling all uncommitted interests in the San Andres Formation underlying a 480-acre, more or less standard horizontal spacing unit comprised of the SE/4 of Section 3 and the E/2 of Section 10, Township 13 South, Range 38 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Wexter Fee** 2H well, which will be defiled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 3, Township 13 South, Range 38 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 10, Township 13 South, Range 38 East. The completed interval of the well will be orthodox. The completed interval of the well will be located within 330' of the Interval of the well will be located within 330' of the quarter-quarter section line separating the W/2 SE/4 and E/2 SE/4 of Section 3 and the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Section 10 to allow for the creation of a 480-acre 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% cherre for the risk involved in drilling. and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 13.8 miles southeast of Tatum, New Mexico. #00273166

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

Steward Energy II, LLC Case No. 23209 Exhibit C-4