

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

**APPLICATIONS OF STEWARD ENERGY II, LLC  
FOR COMPULSORY POOLING AND  
APPROVAL OF OVERLAPPING SPACING UNITS,  
LEA COUNTY, NEW MEXICO**

**CASE NOS. 24172  
24173**

**CONSOLIDATED PRE-HEARING STATEMENT**

Steward Energy II, LLC (“Steward” or “Applicant”) submits its Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division (“Division”).

**APPEARANCES**

**APPLICANT**

Steward Energy II, LLC

**ATTORNEYS**

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**INTERESTED PARTIES**

Mewbourne Oil Company

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**STATEMENT OF THE CASES**

In Case No. 24172, Steward seeks an order pooling all uncommitted interests within the San Andres formation underlying a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the E/2 W/2 of Sections 10 and 15, Township 13 South, Range 38 East, Lea County, New Mexico. The unit will be dedicated to the **Blue Sky Fee 4H** well, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 3 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 15.

In Case No. 24173, Steward seeks an order pooling all uncommitted interests within the San Andres formation underlying a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 W/2 of Sections 10 and 15, Township 13 South, Range 38 East, Lea County, New Mexico. The unit will be dedicated to the **Blue Sky Fee 6H** well, which will be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 3 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 15.

The Blue Sky Fee 4H and Blue Sky Fee 6H units will partially overlap with the spacing unit for the Huell Fee #5H well (API #30-025-49775), which is located in the W/2 of Section 15, Township 13 South, Range 38 East, Lea County and produces from the Bronco; San Andres, South Pool (Code 7500). The units will also partially overlap with the spacing unit for the Lawyer Up Fee #5H (API #30-025-51003), which is located in the W/2 of Section 10, Township 13 South, Range 38 East, Lea County and produces from the Bronco; San Andres, South Pool (Code 7500).

Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

The wells are located approximately 13 miles southeast of Tatum, New Mexico.

**PROPOSED EVIDENCE**

<b>Witness</b>	<b>Occupation</b>	<b>Estimated Time</b>	<b>Exhibits</b>
Taylor Warren	Landman	Affidavit	Approx. 5
Shane Seals	Geologist	Affidavit	Approx. 3

**PROCEDURAL MATTERS**

Applicant will present these matters by affidavit if there is no opposition to its applications.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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 Counsel for Steward Energy II, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that on March 14, 2024, I served a true and correct copy of the foregoing pleading on the following counsel of record by electronic mail:

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS

Action 323190

**QUESTIONS**

Operator: STEWARD ENERGY II, LLC 420 Throckmorton Fort Worth, TX 76102	OGRID: 371682
	Action Number: 323190
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>