

**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

ATTORNEYS

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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

Witness	Occupation	Estimated Time	Exhibits
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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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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Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS

Action 323193

QUESTIONS

Operator: STEWARD ENERGY II, LLC 420 Throckmorton Fort Worth, TX 76102	OGRID: 371682
	Action Number: 323193
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<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>