

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

**APPLICATION OF STEWARD ENERGY II, LLC  
TO EXTEND TIME TO COMMENCE  
DRILLING OPERATIONS,  
LEA COUNTY, NEW MEXICO.**

**Case No. 24870  
Order No. R-22915**

**PRE-HEARING STATEMENT**

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

**APPLICANT**

Steward Energy II, LLC

**ATTORNEYS**

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**INTERESTED PARTY**

None at this time.

**ATTORNEY**

**STATEMENT OF THE CASE**

In **Case No. 24870**, Applicant requests a one-year extension of time, until October 20, 2025, to commence drilling the well authorized by Order No. R-22915 (“Order”). The Division issued the Order in Case No. 23578 on October 20, 2023, which: pooled all uncommitted interests in the San Andres formation, underlying a 265.00-acre, more or less, standard horizontal spacing unit comprised of the E/2 of irregular Section 11, Township 13 South, Range 38 East, Lea County,

New Mexico (“Unit”); dedicated the Unit to the **Gale Federal 2H** well (“Well”); and designated Applicant as operator of the Unit and the Well.

Steward has delayed drilling the well due to low gas prices, which have resulted in a negative price received once processed through the gas plant. This Well is expected to have a higher gas-to-oil ratio than other wells in the area, which exacerbates the impact of the low gas prices on the Well’s economics. Steward will expeditiously commence drilling the well once gas prices increase. Therefore, good cause exists for the requested extension.

**PROPOSED EVIDENCE**

<b><u>Witness</u></b>	<b><u>Occupation</u></b>	<b><u>Estimated Time</u></b>	<b><u>Exhibits</u></b>
Taylor Warren	Landman	Affidavit	Approx. 1

**PROCEDURAL MATTERS**

Applicant intends to present this case by affidavit if there is no opposition to its application.

Respectfully submitted,

HINKLE SHANOR LLP

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

Action 389800

**QUESTIONS**

Operator: STEWARD ENERGY II, LLC 777 Taylor Street Fort Worth, TX 76102	OGRID: 371682
	Action Number: 389800
	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>