

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Steward Energy II, LLC **OGRID Number:** 371682
Well Name: HEISENBERG STATE COM BATTERY (SEE ATTACHED) **API:** _____
Pool: BRONCO; SAN ANDRES, SOUTH **Pool Code:** _____

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Vanessa Lopez

Print or Type Name

Vanessa Lopez

Signature

1/3/2023

Date

214-297-0533

Phone Number

Vanessa.lopez@stewardenergy.com

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Steward Energy II, LLC
OPERATOR ADDRESS: 2600 North Dallas Parkway Suite 400, Frisco TX 75034
APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Bronco; San Andres, South (7500)					

(2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code. BRONCO; SAN ANDRES, SOUTH (7500)
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Vanessa Lopez TITLE: Sr. Analyst Re ulator & Environmenta DATE: 1/3/2023
TYPE OR PRINT NAME Vanessa Lopez TELEPHONE NO.: 214-297-0533
E-MAIL ADDRESS: vanessa.lopez@stewardenergy.com

Heisenberg Battery Wells							
WELL	LOCATION	API	POOL	OIL	GAS	GRAVITY	Date online
Broken Spoke 2 State 1H	0-2-145-38E	30-025-41004	(7500)-BRONCO, SAN ANDRES, SOUTH	18.31	56.54		29 5/12/2014
Broken Spoke State Com 5H	M-2-145-38E	30-025-45530	(7500)-BRONCO, SAN ANDRES, SOUTH	668.89	480.4		29 7/6/2019
Heisenberg State Com 3H	J-3-145-38E	30-025-43753	(7500)-BRONCO, SAN ANDRES, SOUTH	53.33	190.85		29 9/1/2017
Heisenberg State Com 5H	L-3-145-38E	30-025-45619	(7500)-BRONCO, SAN ANDRES, SOUTH	98.03	207.38		29 7/3/2019
Heisenberg State Com 7H	J-4-145-38E	30-025-43754	(7500)-BRONCO, SAN ANDRES, SOUTH	59.78	185.2		29 9/2/2017
Heisenberg State Com 1H	I-3-145-38E	30-025-50727	(7500)-BRONCO, SAN ANDRES, SOUTH				not on line as of 11/29/22
Heisenberg State Com 2H	I-3-145-38E	30-025-50728	(7500)-BRONCO, SAN ANDRES, SOUTH				not on line as of 11/29/22



STEWARD ENERGY

December 5, 2022

CERTIFIED MAIL RETURN
RECEIPT REQUESTED

Re: Request for Lease & Pool Commingling at Heisenberg Tank Battery
Sec.3, T-14S, R38E
Bronco Lake San Andres, South (Pool Name)
Lea County, New Mexico

Dear Interest Owner:

This letter is to advise you that Steward Energy II LLC is filing an application with the New Mexico Oil Conservation Division (NMOCD) seeking approval for oil & gas lease and Pool commingling for the wells mentioned below.

WELL	LOCATION	API	POOL
Broken Spoke 2 State 1H	0-2-14S-38E	30-025-41004	(7500)-BRONCO, SAN ANDRES, SOUTH
Broken Spoke State Com 5H	M-2-14S-38E	30-025-45530	(7500)-BRONCO, SAN ANDRES, SOUTH
Heisenberg State Com 3H	J-3-14S-38E	30-025-43753	(7500)-BRONCO, SAN ANDRES, SOUTH
Heisenberg State Com 5H	L-3-14S-38E	30-025-45619	(7500)-BRONCO, SAN ANDRES, SOUTH
Heisenberg State Com 7H	J-4-14S-38E	30-025-43754	(7500)-BRONCO, SAN ANDRES, SOUTH
Heisenberg State Com 1H	I-3-14S-38E	30-025-50727	(7500)-BRONCO, SAN ANDRES, SOUTH

A copy of our submitted application is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the NMOCD within 20 days from the date of this letter.

Please contact the undersigned at (214) 297-0500 or land@stewardenergy.net should you have any questions or need any additional information.

Sincerely,

Vanessa Lopez
Senior Analyst-Regulatory & Environmental

HEISENBERG BATTERY NOTIFICATION LIST

Owner Name	Address1	Address2	City	State	Zip	USPS TRACKING NUMBER
F. Schuman - R. Kaye Company, LLP	% Marlene Adelman	3395 Mountain Breeze Way #325	Thousand Oaks	CA	91360	7022 0410 0003 3548 3497
El Rey Salt Company, Inc.	% Nathan Lowe	2313 Broadway	Lubbock	TX	79401	7022 0410 0003 3548 3503
J.M. Welborn Trust	% Prosperity Bank, Trustee	1401 Avenue Q	Lubbock	TX	79401	7022 0410 0003 3548 3510
Vora Lowe Hartley Mineral Trust	% Robert T. Hartley, Trustee	PO Box 1024	Clovis	NM	88102	7022 0410 0003 3548 3527
Rebecca W. Sutton	100 Spieth Ct.		Granbury	TX	76048	7022 0410 0003 3548 3534
LIGON LOFLIN JONES	11000 EAST QUAKER ROAD		DISPUTANTA	VA	23842	7022 0410 0003 3548 3541
Kathryn M. Phillips	11445 Crossno Drive		Cleveland	TX	77328	7022 0410 0003 3548 3558
LDL Lowe Family Partnership, Ltd.	1200 Barton Creek Blvd, Apt 2.		Austin	TX	78735	7022 0410 0003 3548 3565
David E. Randall	13408 Northwest Court		Haslet	TX	76052	7022 0410 0003 3548 3589
Patricia Ann Randall	1511 Silent Brook Dr.		Prosper	TX	75078	7022 0410 0003 3548 3596
Mary E. Popplewell	161 Moose Road		Calera	OK	74730	7022 0410 0003 3548 3602
Theresa Marie Robak	2056 Bancroft Lane		Mt. Pleasant	SC	29466	7022 0410 0003 3548 3619
Elk Range Royalties, LP	2110 Farrington Street		Dallas	TX	75207	7022 0410 0003 3548 3626
ARCHER LEE JONES II	215 WEST ROAD		PORTSMOUTH	VA	23707	7022 0410 0003 3548 3633
Charlotte Schuman	2300 Riverside Dr., Unit 9G		Tulsa	OK	74114	7022 0410 0003 3548 3640
Lowe Minerals and Land Family Partnership, Ltd.	2313 Broadway		Lubbock	TX	79401	7022 0410 0003 3548 3657
Triune, LLC	2313 Broadway		Lubbock	TX	79401	7022 0410 0003 3548 3664
Kimberly M. Jackson	254 White Cedar Street		Houston	TX	77015	7022 0410 0003 3548 3671
Clarice Fay Futch Shaw	28600 Corby Drive		Livingston	LA	70754	7022 0410 0003 3548 3688
Kelly Lowe Read	302 Country Club		Levelland	TX	79336	7022 0410 0003 3548 3701
Chad S. Conine	310 N. 40th Street		Waco	TX	76710	7022 0410 0003 3548 3718
New Mexico State Land Office	310 Old Santa Fe Trail		Santa Fe	NM	87501	7020 0640 0001 1087 2011
Rock House Resources, LLC	316 Bailey Avenue, Suite 113		Fort Worth	TX	76107	7022 0410 0003 3548 3725
JOSEPH SCOTT THOMPSON	3309 WEST LAMAR STREET, UNIT B		HOUSTON	TX	77019	7022 0410 0003 3548 3732
Renaee LaJean Futch Suberg	340 Friendlywood Drive		Canyon Lake	TX	78133	7022 0410 0003 3548 3749
Lauren Lowe Matthews	3613 Hamilton Avenue		Fort Worth	TX	76107	7022 0410 0003 3548 3756
Cecil Paul Futch	3637 Fieldcrest Circle		Garland	TX	75042	7022 0410 0003 3548 3763
Debra Lowe Vesowate	3823 84th Street		Lubbock	TX	79423	7022 0410 0003 3548 3770
Collins Permian LP	3824 Cedar Springs Road	#414	Dallas	TX	75219	7022 0410 0003 3548 3787
Calley Conine Durant	408 Shady Grove Drive		Granbury	TX	76049	7020 0640 0001 1087 1748
Vivian Lowe Anselmi	4904 97th Street		Lubbock	TX	79424-4804	7020 0640 0001 1087 1755
Kay Calloway Newton	5004 Woodrow Road		Lubbock	TX	79424-6609	7020 0640 0001 1087 1762
WALLACE FAMILY PARTNERSHIP LP	508 WEST WALL STREET	SUITE 1200	MIDLAND	TX	79701	7020 0640 0001 1087 1779
Haley Day Lowe Erdlen	7 Meadowood Road		Bryn Mawr	PA	19010	7020 0640 0001 1087 1786
Rose Marie Bailey	716 N. 5th St.		Rogers	AR	72756	7020 0640 0001 1087 1793
TIMOTHY REED THOMPSON	7603 COURTNEY MANOR LANE		KATY	TX	77494-6595	7020 0640 0001 1087 1809
Martin Dion Lowe	7801 Espanola Trail		Austin	TX	78737	7020 0640 0001 1087 1823
Christmann Mineral Company	7822 Orlando Avenue		Lubbock	TX	79423	7020 0640 0001 1087 1830
Robert Thomas Hartley	PO Box 1024		Clovis	NM	88102	7020 0640 0001 1087 1847
Permian Development, LLC	PO Box 136879		Fort Worth	TX	76136	7020 0640 0001 1087 1854
Ronny Lowe	PO Box 1381		Wolforth	TX	79382	7020 0640 0001 1087 1816
CTH Royalties, LLC	PO Box 1761		Aledo	TX	76008-1761	7020 0640 0001 1087 1861
Leta M. Loflin	PO Box 3315		Lubbock	TX	79452	7020 0640 0001 1087 1878
Charles David Walker	PO Box 372		Granbury	TX	75078	7020 0640 0001 1087 1885
Lewanda Jean Crumpton Onstead	PO Box 4530		Ruidoso	NM	88355	7020 0640 0001 1087 1892
WBA RESOURCES LTD	PO BOX 50468		MIDLAND	TX	79710-0468	7020 0640 0001 1087 1908
JWD RESOURCES LLC	PO BOX 51908		MIDLAND	TX	79710	7020 0640 0001 1087 1915
NM ROYALTY LLC	PO BOX 51908		MIDLAND	TX	79710	7020 0640 0001 1087 1922
Chaney Conine Cockrell	PO Box 5321		Granbury	TX	76049	7020 0640 0001 1087 1939
William C. Bahlburg	PO Box 560430		The Colony	TX	75056-0430	7020 0640 0001 1087 2004
Lowe Family, Ltd.	PO Box 5883		Granbury	TX	76049	7020 0640 0001 1087 1946
Shana Lowe Conine	PO Box 5883		Granbury	TX	76049	7020 0640 0001 1087 1953
Kay Lowe Atcheson Trust	PO Box 64595		Lubbock	TX	79464-4595	7020 0640 0001 1087 1960
Mekusukey Oil Company, LLC	PO Box 816		Wewoka	OK	74884-0816	7020 0640 0001 1087 1977
Osborne Family Properties, Ltd.	PO Box 8206		Wichita Falls	TX	76307	7020 0640 0001 1087 1984
Teddy Lowe Hartley	PO Box 845		Clovis	NM	88102	7020 0640 0001 1087 1991
PetroVen, Inc.	The Crossing II	5501 LBJ Freeway, Suite 900	Dallas	TX	75240-6220	7020 0640 0001 1087 2028

APPLICATION FOR SURFACE POOL LEASE COMMINGLING

Introduction

Steward Energy II, LLC requests approval for the surface commingling of oil and gas from all existing and future wells on the Broken Spoke 2 State and Broken Spoke State Com leases. The current wells, Broken Spoke 2 State 1H and Broken Spoke State Com 5H, and any future wells will be taken to an established tank facility at the Heisenberg State Com Tank Battery. The Broken Spoke 2 State 1H is one and one-quarter mile and the Broken Spoke State Com 5H is three-quarters of a mile south and east of the Heisenberg State Com Tank Battery location. The Heisenberg State Com Tank Battery has the infrastructure in place for oil, water and gas handling and sales and each well is being tested daily through dedicated 3 phase separators and heater treaters. The commingled site serves as a central emissions point for any emergency flaring of the commingled leases thereby limiting the effects of an emergency flare event to one site rather than multiple locations.

Current wells that will be commingling production at the Heisenberg State Com Tank Battery will include:

30-025-41004	Broken Spoke 2 State 1H	SESE Section 2; T14S, R38E
30-025-45530	Broken Spoke State Com 5H	SWSW Section 2; T14S, R38E
30-025-50727	Heisenberg State Com 1H	NESE Section 3; T14S, R38E
30-025-50728	Heisenberg State Com 2H	NESE Section 3; T14S, R38E
30-025-43753	Heisenberg State Com 3H	NWSE Section 3; T14S, R38E
30-025-45619	Heisenberg State Com 5H	NWSW Section 3; T14S, R38E
30-025-43754	Heisenberg State Com 7H	NWSE Section 4; T14S, R38E

All wells will be producing from the same pool and formation (Bronco; San Andres, South).

Royalty Revenue Statement

The approval of the proposed application for surface commingling of the Broken Spoke 2 State and Broken Spoke State Com leases (see legal description on page 2) will not negatively affect the royalty revenue of the New Mexico State Government. Current and future wells at the Heisenberg State Com Tank Battery will each have their own dedicated 3-phase separator which will meter oil, water and gas. In addition, each well will also have a second vertical vessel (heater treater) specifically allowing the oil to go through a final separation removing any extraneous water and gas and acting as an ultimate metering point for the oil. The dedicated vessels allow for Steward Energy II, LLC to accurately meter each production stream individually prior to the actual commingling of produced fluids from the proposed leases at the Heisenberg State Com Tank Battery. Each meter will be tested and proven on a monthly basis to ensure that the daily volumes being recorded are valid and accurate. The effectiveness of the meters to record the daily production off of the dedicated vessels ensures that the State Government will not lose revenue from the approval of the commingling allocation request.

List of Leases Included

Legal Descriptions

Broken Spoke 2 State

210.50 acres, more or less, being Lots 1 (55.97 acres), 4 (52.22 acres), 5 (51.51 acres) and 6 (50.80 acres) of Section 2, Township 14 South, Range 38 East, N.M.P.M., Lea County, New Mexico

Broken Spoke 2 State Com

484.42 acres, more or less, being the SW/4 of Section 35, Township 13 South, Range 38 East, and the W/2 of Section 2, Township 14 South, Range 38 East, N.M.P.M., Lea County, New Mexico

Heisenberg State Com 1H

242.17 acres, more or less, being all of the E/2NE/4 of Section 3, Township 14 South, Range 38 East, N.M.P.M., and all of the E/2E/2 of Section 34, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico

Heisenberg State Com 2H

242.17 acres, more or less, being all of the E/2NE/4 of Section 3, Township 14 South, Range 38 East, N.M.P.M., and all of the E/2E/2 of Section 34, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico

Heisenberg State Com 3H

242.19 acres, more or less, being all of the W/2NE/4 of Section 3, Township 14 South, Range 38 East, N.M.P.M., and all of the W/2E/2 of Section 34, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico

Heisenberg State Com 5H

484.44 acres, more or less, being all of the NW/4 of Section 3, Township 14 South, Range 38 East, N.M.P.M., and all of the W/2 of Section 34, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico

Heisenberg State Com 7H

240.00 acres, more or less, being all of the E/2NE/4 of Section 4, Township 14 South, Range 38 East, N.M.P.M., and all of the E/2E/2 of Section 33, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico

Proposed Allocation Agreement

The proposed allocation agreement for the commingled Heisenberg State Com Tank Battery is a ratioed allocation based off of each individual well test from the aforesaid leases at the Heisenberg State Com Tank Battery. As previously mentioned, each current and future well going into the battery will have a dedicated 3 phase separator and heater treater with individual meters measuring oil, gas and water volumes. The oil meter will be proven at least once a month utilizing a dedicated oil tank and tank gauges. The gas meter will be proved monthly utilizing a third party meter prover. The production ratio, based on the metered tests, is applied to the total volume at the battery to calculate the respective allocated volumes for each well and each production stream. This method of testing has already been in use by Steward Energy II, LLC in Texas with a high degree of accuracy.

Economic Statement

All of the leases in the proposed surface commingling agreement are capable of producing in commercial and paying quantities of 1 bbl/day of oil and is repeatable by current and historic well tests.

Future Additions

Steward Energy II, LLC requests authority to add additional wells contained within the spacing units identified and approved above by filing a C103Z and C102 with the NMOCD. Notice to owners shall not be required when amending the application to add wells contained within spacing units previously approved for commingling authority.

Pursuant to Statewide rule 19.15.12.10 (C)(4)(g) Steward Energy II, LLC requests the option to include additional pools or leases within the following parameters:

Steward Energy II, LLC may add additional production from the Bronco; San Andres, South pool from Leases

Broken Spoke 2 State

210.50 acres, more or less, being Lots 1 (55.97 acres), 4 (52.22 acres), 5 (51.51 acres) and 6 (50.80 acres) of Section 2, Township 14 South, Range 38 East, N.M.P.M., Lea County, New Mexico

Broken Spoke 2 State Com

484.42 acres, more or less, being the SW/4 of Section 35, Township 13 South, Range 38 East, and the W/2 of Section 2, Township 14 South, Range 38 East, N.M.P.M., Lea County, New Mexico

Heisenberg State Com 1H

242.17 acres, more or less, being all of the E/2NE/4 of Section 3, Township 14 South, Range 38 East, N.M.P.M., and all of the E/2E/2 of Section 34, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico

Heisenberg State Com 2H

242.17 acres, more or less, being all of the E/2NE/4 of Section 3, Township 14 South, Range 38 East, N.M.P.M., and all of the E/2E/2 of Section 34, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico

Heisenberg State Com 3H

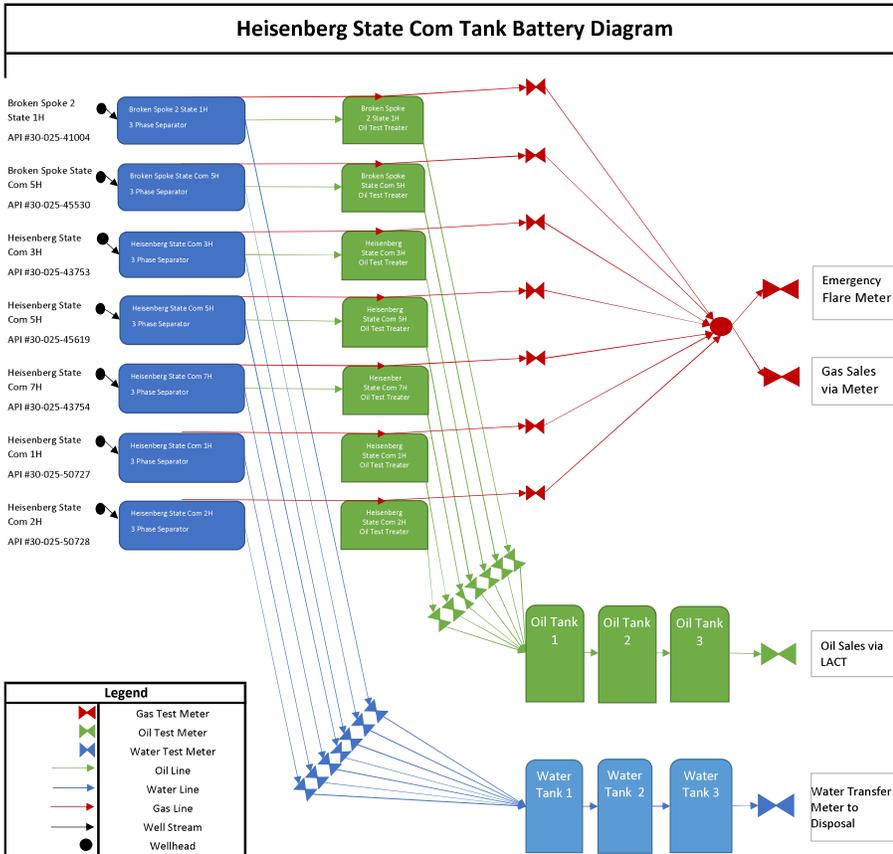
242.19 acres, more or less, being all of the W/2NE/4 of Section 3, Township 14 South, Range 38 East, N.M.P.M., and all of the W/2E/2 of Section 34, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico

Heisenberg State Com 5H

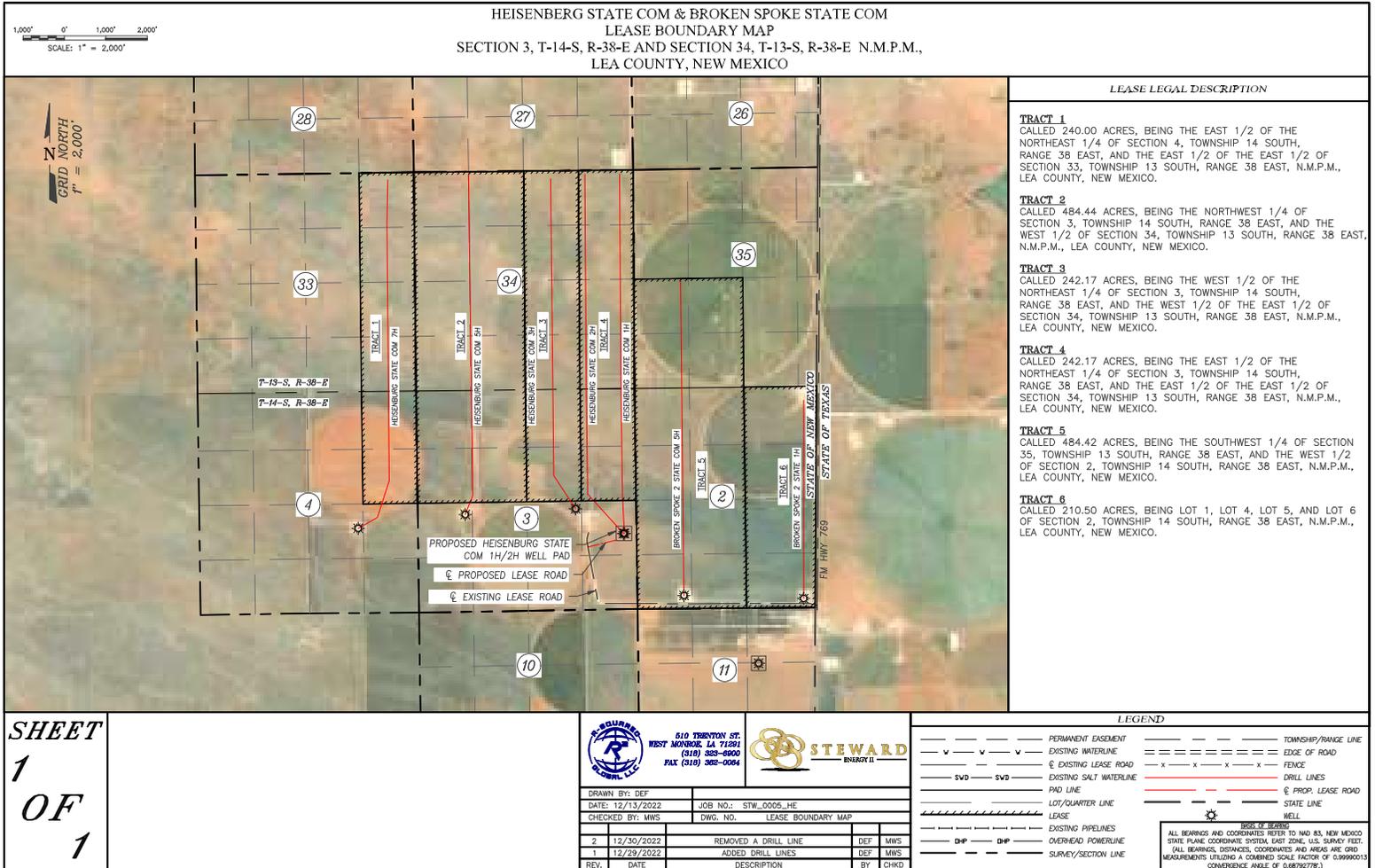
484.44 acres, more or less, being all of the NW/4 of Section 3, Township 14 South, Range 38 East, N.M.P.M., and all of the W/2 of Section 34, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico

Heisenberg State Com 7H

240.00 acres, more or less, being all of the E/2NE/4 of Section 4, Township 14 South, Range 38 East, N.M.P.M., and all of the E/2E/2 of Section 33, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico







LEASE LEGAL DESCRIPTION

TRACT 1
CALLED 240.00 ACRES, BEING THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 4, TOWNSHIP 14 SOUTH, RANGE 38 EAST, AND THE EAST 1/2 OF THE EAST 1/2 OF SECTION 33, TOWNSHIP 13 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

TRACT 2
CALLED 484.44 ACRES, BEING THE NORTHWEST 1/4 OF SECTION 3, TOWNSHIP 14 SOUTH, RANGE 38 EAST, AND THE WEST 1/2 OF SECTION 34, TOWNSHIP 13 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

TRACT 3
CALLED 242.17 ACRES, BEING THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 3, TOWNSHIP 14 SOUTH, RANGE 38 EAST, AND THE WEST 1/2 OF THE EAST 1/2 OF SECTION 34, TOWNSHIP 13 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

TRACT 4
CALLED 242.17 ACRES, BEING THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 3, TOWNSHIP 14 SOUTH, RANGE 38 EAST, AND THE EAST 1/2 OF THE EAST 1/2 OF SECTION 34, TOWNSHIP 13 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

TRACT 5
CALLED 484.42 ACRES, BEING THE SOUTHWEST 1/4 OF SECTION 35, TOWNSHIP 13 SOUTH, RANGE 38 EAST, AND THE WEST 1/2 OF SECTION 2, TOWNSHIP 14 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

TRACT 6
CALLED 210.50 ACRES, BEING LOT 1, LOT 4, LOT 5, AND LOT 6 OF SECTION 2, TOWNSHIP 14 SOUTH, RANGE 38 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

SHEET
1
OF
1

610 TERRYTON ST.
WEST MONROE, LA 72391
(318) 333-8900
FAX (318) 368-0064

STEWART ENERGY

DRAWN BY: DEF
DATE: 12/13/2022
JOB NO.: STW_0005_HE
CHECKED BY: MWS
DWG. NO.: LEASE BOUNDARY MAP

REV.	DATE	DESCRIPTION	BY	CHKD
2	12/30/2022	REMOVED A DRILL LINE	DEF	MWS
1	12/29/2022	ADDED DRILL LINES	DEF	MWS

LEGEND

- PERMANENT EASEMENT
- EXISTING WATERLINE
- EXISTING LEASE ROAD
- EXISTING SALT WATERLINE
- PAD LINE
- LOT/QUARTER LINE
- EXISTING PIPELINES
- OVERHEAD POWERLINE
- SURVEY/SECTION LINE
- TOWNSHIP/RANGE LINE
- EDGE OF ROAD
- FENCE
- DRILL LINES
- PROP. LEASE ROAD
- STATE LINE
- WELL

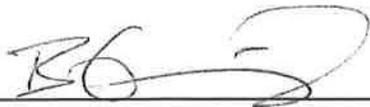
BASE OF BEARING
ALL BEARINGS AND COORDINATES REFER TO NAD 83, NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, U.S. SURVEY FEET. ALL BEARINGS, DISTANCES, COORDINATES AND AREAS ARE GRID MEASUREMENTS UTILIZING A CORRECTION SCALE FACTOR OF 0.9999011 (CONVERGENCE ANGLE OF 0.68792778").

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

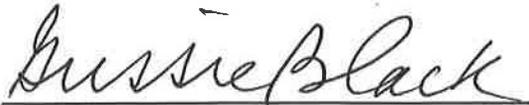
I, Blake Ovard, Editor of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
December 09, 2022
and ending with the issue dated
December 09, 2022.



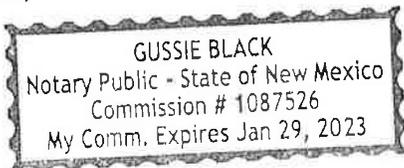
Editor

Sworn and subscribed to before me this
9th day of December 2022.



Business Manager

My commission expires
January 29, 2023
(Seal)



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 December 9, 2022

STEWARD Energy II LLC located at 2600 Dallas Parkway, Suite 400, Frisco, Texas 75034 is applying to the NMOCD for a surface commingle permit for oil and gas production for facilities in the Northwest Shelf within Permian Basin. The facilities are located in Lea County in Section 3; T14S;R38E. This notification is for the Heisenberg Battery.

Wells going to these batteries are located in Lea County in Sections 2, 3, 4; 14S;38E. Production is from the Bronco, San Andres South formation/pool. The wells going to this battery are Broken Spoke 2 State 1H, Broken Spoke State Com 5H, and Heisenberg 1H, 2H, 3H, 5H & 7H wells.

Pursuant to statewide Rule 19.15.12.10, any objections to this application must be filed in writing within twenty days from date of publication with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505, if no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact Vanessa Lopez, Steward Energy II, LLC at 214.297.0533 or vanessa.lopez@stewardenergy.net. #00273811

67117552

00273811

VANESSA LOPEZ
STEWARD ENERGY, LLC
2600 Dallas Parkway, Suite 400
FRISCO, TX 75034

Yoakum County

Components	Mol %
Methane	55.6061%
Nitrogen	3.1142%
Carbon Dioxide	8.1978%
H2S	1.9258%
Other Inerts	0.0000%
Ethane	14.4222%
Propane	9.1315%
Iso Butane	1.3044%
Normal Butane	3.1137%
Iso Pentane	0.9250%
Normal Pentane	0.9313%
Hexane	1.3280%

Components	Mol %
Methane	58.4662%
Nitrogen	3.1966%
Carbon Dioxide	7.6588%
H2S	1.5969%
Other Inerts	0.0000%
Ethane	13.4719%
Propane	8.4036%
Iso Butane	1.2192%
Normal Butane	2.9236%
Iso Pentane	0.8748%
Normal Pentane	0.8783%
Hexane	1.3101%

Cochran County

Components	Mol %
Methane	60.8638%
Nitrogen	7.1884%
Carbon Dioxide	8.6544%
H2S	2.2701%
Other Inerts	0.0000%
Ethane	9.0212%
Propane	6.2178%
Iso Butane	0.9843%
Normal Butane	2.2125%
Iso Pentane	0.7958%
Normal Pentane	0.7018%
Hexane	1.0919%

Components	Mol %
Methane	59.0636%
Nitrogen	6.9511%
Carbon Dioxide	8.2540%
H2S	2.5114%
Other Inerts	0.0000%
Ethane	8.9802%
Propane	6.6048%
Iso Butane	1.1023%
Normal Butane	2.5560%
Iso Pentane	1.1037%
Normal Pentane	1.0245%
Hexane	1.8454%

From: [Kris Lee](#)
To: [McClure, Dean, EMNRD](#)
Cc: [Vanessa Lopez](#)
Subject: [EXTERNAL] Action ID: 172004 - Commingle application - replacement documents
Date: Wednesday, January 18, 2023 3:27:27 PM
Attachments: [HEISENBERG.BATTERY.comminle.04jan2023.submitted.addition.of.gas.anavlsis.pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Please replace the documents submitted on this action ID that was submitted 1/3/2023

Thank you,

~Kris Lee
Regulatory Professional
Owner, Elite Permitting LLC
303.659.9581 – Office
303.884.4229 - Cell

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Vanessa De Los Santos](#); vanessa.lopez@stewardenergy.com
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Lamkin, Baylen L.](#)
Subject: Approved Administrative Order CTB-1079
Date: Friday, January 5, 2024 3:03:33 PM
Attachments: [CTB1079 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1079 which authorizes Steward Energy II, LLC (371682) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-41004	Broken Spoke 2 State #1H	W/2 E/2	2-14S-38E	7500
30-025-45530	Broken Spoke State Com #5H	SW/4	35-13S-38E	7500
		W/2	2-14S-38E	
30-025-43753	Heisenberg State Com #3H	W/2 E/2	34-13S-38E	7500
		W/2 NE/4	3-14S-38E	
30-025-45619	Heisenberg State Com #5H	W/2	34-13S-38E	7500
		NW/4	3-14S-38E	
30-025-43754	Heisenberg State Com #7H	E/2 E/2	33-13S-38E	7500
		E/2 NE/4	4-14S-38E	
30-025-50727	Heisenberg State Com #1H	E/2 E/2	34-13S-38E	7500
		E/2 NE/4	3-14S-38E	
30-025-50728	Heisenberg State Com #2H	E/2 E/2	34-13S-38E	7500
		E/2 NE/4	3-14S-38E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY STEWARD ENERGY II, LLC**

ORDER NO. CTB-1079

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Steward Energy II, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
6. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

CONCLUSIONS OF LAW

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.

10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
12. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and

regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.

- 6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 9. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
- 10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**DYLAN M. FUGE
DIRECTOR (ACTING)**

DATE: 1/5/24

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1079

Operator: Steward Energy II, LLC (371682)

Central Tank Battery: Heisenberg State Com Tank Battery

Central Tank Battery Location: UL I J, Section 3, Township 14 South, Range 38 East

Gas Title Transfer Meter Location: UL I J, Section 3, Township 14 South, Range 38 East

Pools

Pool Name	Pool Code
BRONCO; SAN ANDRES, SOUTH	7500

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
V0 9189 0002	W/2 E/2	2-14S-38E
CA San Andres NMSLO 203904 PUN 1376663	SW/4	35-13S-38E
	W/2	2-14S-38E
CA San Andres NMSLO 203612 PUN 1361768	E/2 E/2	33-13S-38E
	E/2 NE/4	4-14S-38E
CA San Andres NMSLO 203682 PUN 1367956	W/2 E/2	34-13S-38E
	W/2 NE/4	3-14S-38E
CA San Andres NMSLO 203898 PUN 1376592	W/2	34-13S-38E
	NW/4	3-14S-38E
CA San Andres NMSLO 204459	E/2 E/2	34-13S-38E
	E/2 NE/4	3-14S-38E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
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30-025-50728	Heisenberg State Com #2H	E/2 E/2	34-13S-38E	7500
		E/2 NE/4	3-14S-38E	

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 172004

CONDITIONS

Operator: STEWARD ENERGY II, LLC 2600 Dallas Parkway Frisco, TX 75034	OGRID: 371682
	Action Number: 172004
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	1/5/2024