

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

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

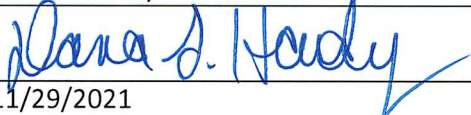
**CASE NO. 22318**

**EXHIBIT INDEX**

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Taylor Warren
A-1	Application & Proposed Notice of Hearing
A-2	C-102(s)
A-3	Plat of Tracts, Ownership Interests, Pooled Parties, Unit Recapitulation
A-4	Sample Well Proposal Letter & AFE(s)
A-5	Summary of Communications
A-6	Hearing Notice Letter and Return Receipts
A-7	Affidavit of Publication
Exhibit B	Self-Affirmed Statement of Shane Seals
B-1	Location Map, Structure Map, Gunbarrel Schematic
B-2	Cross Section

<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case No.:</b>	<b>22318</b>
<b>Hearing Date:</b>	<b>12/2/2021</b>
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	N/A
Well Family	Combo
<b>Formation/Pool</b>	
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 (Pool Code 7500)
Well Location Setback Rules	Statewide
Spacing Unit Size	160-acre
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160-acre
Building Blocks	quarter-quarter
Orientation	Standup
Description: TRS/County	W/2E/2 of Section 22, Township 13 South, Range 38 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Combo Fee #2H (API # pending) SHL: 670 FSL & 1430 FEL (Unit O) of Section 15, T13S-R38E BHL: 100 FSL & 1214 FWL (Unit O) of Section 22, T13S-R38E Completion Target: San Andres (Approximately 5500' TVD) Completion status: Standard
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	7,000
Production Supervision/Month \$	700
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-6
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit A-7
<b>Ownership Determination</b>	
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
<b>Joinder</b>	
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	N/A
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
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
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
<b>Additional Information</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Dana S. Hardy
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	11/29/2021

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

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

**CASE NO. 22318**

**SELF-AFFIRMED STATEMENT  
OF TAYLOR WARREN**

1. I am the land manager 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 qualifications as an expert in petroleum land matters were accepted and made a matter of record.

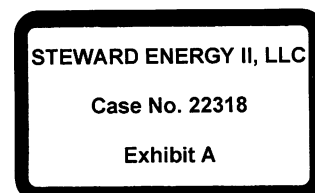
2. I am familiar with the land matters involved in the above-referenced case. Copies of the application and proposed hearing notice in this case are attached as **Exhibit A-1**.

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 (Pool Code 7500), underlying a standard 160-acre, more or less, standard horizontal spacing unit comprised of the W/2E/2 of Section 22, Township 13 South, Range 38 East, Lea County, New Mexico (“Unit”).

5. The Unit will be dedicated to the **Combo Fee #2H** to be horizontally drilled from a surface hole location in the SW/4SE/4 (Unit O) of Section 15 to a bottom hole location in the SW/4SE/4 (Unit O) of Section 22 (“Well”).

6. 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. **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.

10. Steward has conducted a diligent search of all county public records including phone directories and computer databases.

11. All interest owners Steward seeks to pool are locatable.

12. 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**.

13. Steward requests overhead and administrative rates of \$7,000 per month while the Well is being drilled and \$700 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Steward and other operators in the vicinity.

14. Notice of this application and the Division hearing was timely provided to the uncommitted interests by certified mail more than 20 days prior to the hearing date. A sample of the notice letters and associated green cards are attached as **Exhibit A-6**.

15. Notice of this application and the Division hearing was published more than ten business days prior to the hearing date. The affidavit of publication is attached as **Exhibit A-7**.

16. The exhibits attached hereto 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.

18. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 17 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.

  
\_\_\_\_\_  
Taylor Warren

11-29-2021  
Date

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

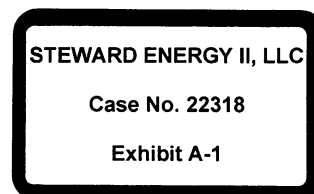
**APPLICATION OF STEWARD ENERGY II,  
LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 22318**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Steward Energy II, LLC (“Applicant”) applies for an order pooling all uncommitted interests within the San Andres formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2E/2 of Section 22, Township 13 South, Range 38 East, Lea County, New Mexico (“Unit”). Applicant states the following in support of its application:

1. Applicant (OGRID No. 371682) is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the following proposed initial well:
  - **Combo Fee #2H** to be horizontally drilled from a surface hole location in the SW/4SE/4 (Unit O) of Section 15 to a bottom hole location in the SW/4SE/4 (Unit O) of Section 22 (“Well”).
3. The completed interval of the Well will be unorthodox.
4. 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 the interest owners.
5. The pooling of uncommitted mineral interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.



6. 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 this application be set for hearing on December 2, 2021, and that after notice and hearing 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

Michael Rodriguez

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

mrodriguez@hinklelawfirm.com

*Counsel for Steward Energy II, LLC*

**Application of Steward Energy II, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant applies for an order pooling all uncommitted mineral interests within the San Andres formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2E/2 of Section 22, Township 13 South, Range 38 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the following proposed initial well: Combo Fee #2H to be horizontally drilled from a surface hole location in the SW/4SE/4 (Unit O) of Section 15 to a bottom hole location in the SW/4SE/4 (Unit O) of Section 22 ("Well"). The completed interval of the Well will be unorthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, 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 14.5 miles Southeast of Tatum, New Mexico.

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 Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

<sup>1</sup> API Number	<sup>2</sup> Pool Code 7500	<sup>3</sup> Pool Name BRONCO; SAN ANDRES, SOUTH
<sup>4</sup> Property Code	<sup>5</sup> Property Name COMBO FEE	<sup>6</sup> Well Number 2H
<sup>7</sup> OGRID No. 371682	<sup>8</sup> Operator Name STEWARD ENERGY II, LLC	<sup>9</sup> Elevation 3805'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	15	13S	38E		670	SOUTH	1430	EAST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	22	13S	38E		100	SOUTH	1430	EAST	LEA

<sup>12</sup> Dedicated Acres 160.0	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

**CORNER COORDINATES NAD 83, SPCS NM EAST**  
 A - X: 924615.04' / Y: 796952.00'  
 B - X: 924648.33' / Y: 794296.56'  
 C - X: 924695.76' / Y: 791663.20'  
 D - X: 923373.22' / Y: 791647.30'  
 E - X: 923335.94' / Y: 794281.37'  
 F - X: 923298.37' / Y: 796935.38'

**CORNER COORDINATES NAD 27, SPCS NM EAST**  
 A - X: 883439.15' / Y: 796888.99'  
 B - X: 883472.43' / Y: 794233.73'  
 C - X: 883519.85' / Y: 791600.45'  
 D - X: 882197.31' / Y: 791584.48'  
 E - X: 882160.04' / Y: 794218.49'  
 F - X: 882122.48' / Y: 796872.42'

**SURFACE HOLE LOCATION**  
 670' FSL 1430' FEL, SECTION 15  
 NAD 83, SPCS NM EAST  
 X: 924493.13' / Y: 797620.52'  
 LAT: 33 18632728N / LON: 103.08094670W  
 NAD 27, SPCS NM EAST  
 X: 883317.25' / Y: 797557.60'  
 LAT: 33 18621997N / LON: 103.08044760W

**KICK OFF/FIRST TAKE POINT**  
 100' FSL 1430' FEL, SECTION 22  
 NAD 83, SPCS NM EAST  
 X: 924502.91' / Y: 796850.58'  
 LAT: 33 18421130N / LON: 103.08094483W  
 NAD 27, SPCS NM EAST  
 X: 882237.07' / Y: 796747.89'  
 LAT: 33 18410398N / LON: 103.08044576W

**LAST TAKE POINT/BOTTOM HOLE LOCATION**  
 100' FSL 1430' FEL, SECTION 22  
 NAD 83, SPCS NM EAST  
 X: 924586.15' / Y: 791761.89'  
 LAT: 33 17022571N / LON: 103.08087180W  
 NAD 27, SPCS NM EAST  
 X: 883410.24' / Y: 791699.13'  
 LAT: 33 17011836N / LON: 103.08037287W

**<sup>17</sup> OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Scott Stedman* Date: 10/13/21  
 Printed Name: Scott Stedman  
 E-mail Address: scott@stewardenergy.com

**<sup>18</sup> SURVEYOR CERTIFICATION**  
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

OCTOBER 13, 2021  
 Date of Survey  
 Signature and Seal of Professional Surveyor: *David W. Myers*  
 Certificate Number: DAVID W MYERS 11403

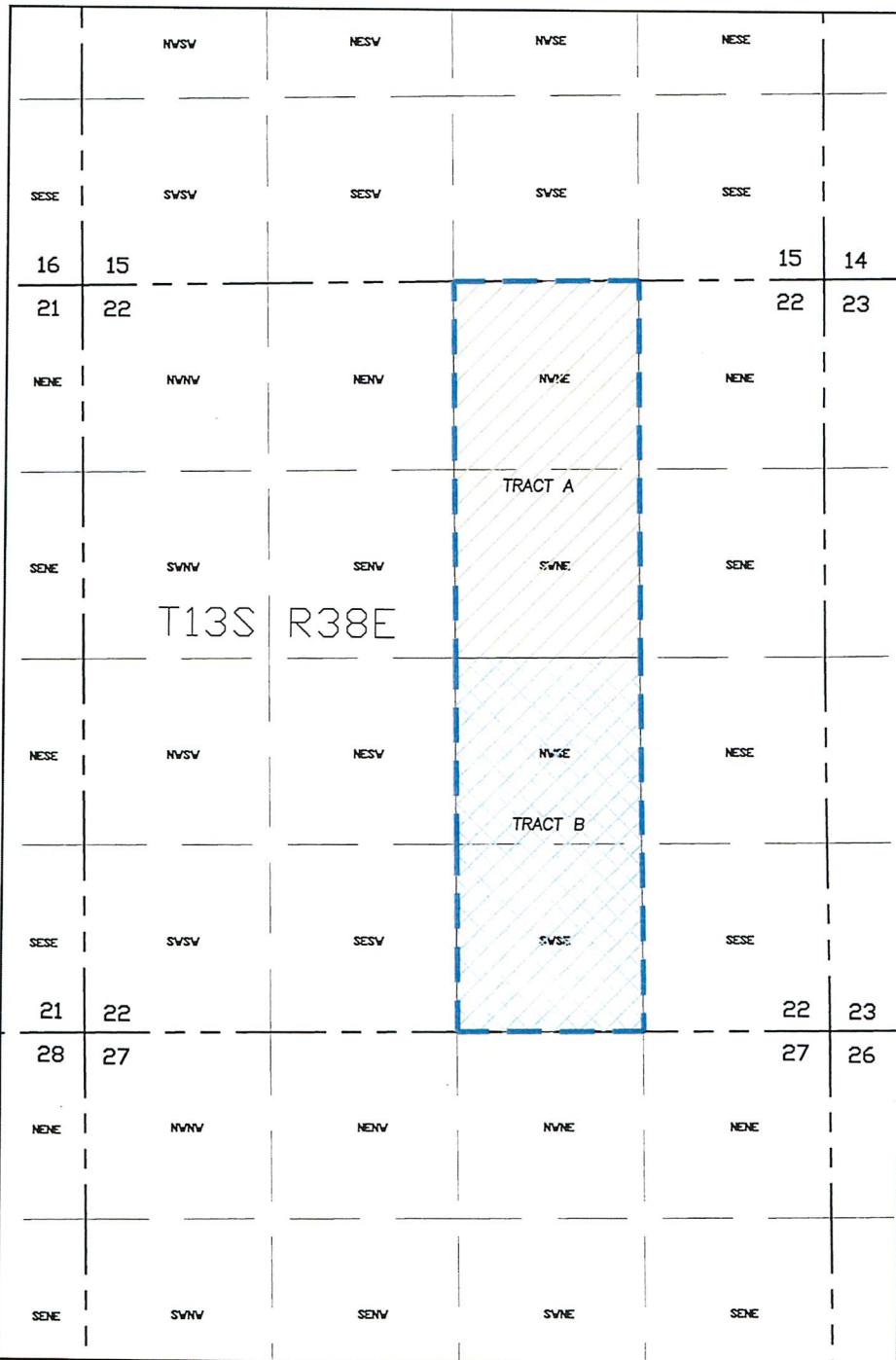
Distances/areas relative to NAD 83 Combined Scale Factor: 0.99990013 Convergence Angle: 00°41'16.54001"

Horizontal Spacing Unit

STEWARD ENERGY II, LLC  
Case No. 22318  
Exhibit A-2

# Exhibit A-3

COMBO FEE 2H  
SEC. 22 TWP. 13-S RGE. 38-E  
LEA COUNTY, NEW MEXICO



T13S R38E



0	11/11/2021	DEF
REV.	DATE	BY

SCALE: 1" = 1,000'

**STEWARD ENERGY II, LLC**  
Case No. 22318  
Exhibit A-3

 PROPOSED HORIZONTAL SPACING UNIT

OPERATOR:  
  
STEWARD ENERGY II, LLC

SHEET 1 OF 1



PREPARED BY:  
R-SQUARED GLOBAL, LLC  
510 TRENTON ST., UNIT B,  
WEST MONROE, LA 71291  
318-323-6900 OFFICE  
JOB No. B4076\_003

**EXHIBIT A-3****Tract A**

(W/2NE/4 of Sec. 22, T13S-R38E, being 80.0 Acres)

**Committed**

<u>Owner</u>	<u>Type</u>	<u>Ownership</u>	<u>Status</u>
Steward Energy II, LLC	WI	79.890047%	Committed JOA executed
G.O. Basic Energy I, LLC	WI	16.946374%	Committed JOA executed
		Total:	96.836421%

**Uncommitted**

<u>Owner</u>	<u>Type</u>	<u>Ownership</u>	<u>Status</u>
Helton, Janice S.	Mineral Interest	0.347222%	Executed AFE
Moore, Joyce E.	Mineral Interest	0.347222%	Executed AFE
Randall, Joan	Mineral Interest	0.347222%	Executed AFE
Whittington, Judith Hunt	Mineral Interest	0.347222%	Executed AFE
Estate of Ruth Lucille Terrell Smith	Mineral Interest	0.925926%	Unleased
Humphrey, Trevor Scott	Mineral Interest	0.154321%	Unleased
Management Trust f/b/o Megan Elizabeth Humphrey	Mineral Interest	0.154321%	Unleased
Terrell, David Allen	Mineral Interest	0.231481%	Unleased
Williams, Larry D.	Mineral Interest	0.308642%	Unleased
		Total:	3.163579%
		<b>Grand Total:</b>	<b>100.0%</b>

**Tract B**

(W/2SE/4 of Sec. 22, T13S-R38E, being 80.0 Acres)

**Committed**

<u>Owner</u>	<u>Type</u>	<u>Ownership</u>	<u>Status</u>
Steward Energy II, LLC	WI	81.812500%	Committed JOA executed
G.O. Basic Energy I, LLC	WI	17.354167%	Committed JOA executed

<u>Owner</u>	<u>Type</u>	<u>Ownership</u>	<u>Status</u>
		Total:	99.166667%
 <b><u>Uncommitted</u></b>			
<u>Owner</u>	<u>Type</u>	<u>Ownership</u>	<u>Status</u>
Woolsey, Leroy	Mineral Interest	0.833333%	Unleased
		Total:	0.833333%
		<b>Grand Total:</b>	<b>100.0%</b>

**Recapitulation****Committed**

<u>Owner</u>	<u>Type</u>	<u>Ownership</u>
Steward Energy II, LLC	WI	63.921569%
G.O. Basic Energy I, LLC	WI	34.419306%
		Total: 98.340875%

**Uncommitted**

<u>Owner</u>	<u>Type</u>	<u>Ownership</u>
Helton, Janice S.	Mineral Interest	0.173611%
Moore, Joyce E.	Mineral Interest	0.173611%
Randall, Joan	Mineral Interest	0.173611%
Whittington, Judith Hunt	Mineral Interest	0.173611%
Estate of Ruth Lucille Terrell Smith	Mineral Interest	0.462963%
Humphrey, Trevor Scott	Mineral Interest	0.077161%
Management Trust f/b/o Megan Elizabeth Humphrey	Mineral Interest	0.077161%
Terrell, David Allen	Mineral Interest	0.115741%
Williams, Larry D.	Mineral Interest	0.154321%
Woolsey, Leroy	Mineral Interest	0.416667%
		Total 1.998458%

**Grand Total: 100% WI**



\*\*\*\*\*VIA CERTIFIED U.S.P.S. MAIL #7019 0700 0000 0646 7326\*\*\*\*\*

October 1, 2021

**Re: Steward Energy II, LLC  
Well Proposal – COMBO FEE #2H  
W/2E/2 Section 22, Township 13 South, Range 38 East, N.M.P.M.  
Lea County, New Mexico**

Alisa Williams Ashton  
1501 Pueblo  
Midland, TX 79705

Dear Mineral Owner,

This letter will serve as notice regarding the plans of Steward Energy II, LLC (“Steward”) to drill the COMBO FEE #2H (“Well”) as a horizontal well, targeting the San Andres Formation with an approximate total depth drilled of 10,880 feet. The Well’s surface hole will be located approximately 1430 feet from the east boundary line and 670 feet from the south boundary line of Section 15, 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 West Half of East Half (W/2E/2) of Section 22, 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 1203 feet from the west boundary line of the Spacing Unit. The Well’s last take point will be located approximately 100 feet from the south boundary line and 1214 feet from the west 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 \$1,295,604, with an additional \$1,766,00 to complete the well (total of \$3,061,604). *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.

STEWARD ENERGY II, LLC

Case No. 22318

Exhibit A-4



Well Proposal  
COMBO FEE #2H  
October 1, 2021

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 75094

For questions regarding this well proposal please contact the Land Department via email [land@stewardenergy.net](mailto:land@stewardenergy.net) or call (214) 297-0500.

Respectfully,



Cooper Newlan  
Landman

Attachment

---

Proportionate Interest: 0.154321%

The undersigned elects **to**  **not to**  participate in the COMBO FEE #2H well with their proportionate interest.

**Alisa Williams Ashton**

By: \_\_\_\_\_ Date: \_\_\_\_\_



## AUTHORIZATION FOR EXPENDITURE

**Well Name:** Combo Fee #2H  
**Operator:** Steward Energy II, LLC  
**Well Type:** Oil  
**Legal (S/T/R):** W/2 of E/2 of Section 22, T13S, R38E  
**County, State:** Lea County, New Mexico  
**Surface Location:** 670' FSL & 1430' FEL of Section 15, T13S-R38E, N.M.P.M.  
**Bottom Hole Location:** 100' FSL & 1214' FWL of Section 22, T13S-R38E, N.M.P.M.

**AFE Type:** New Drill  
**Prop. Depth:** Approx. 5,500' TVD; 10,880' MD

**AFE Number:** 2204001DR  
**AFE Date:** 10/1/2021  
**County, State:** Lea, NM  
**Prep. By:** Tim Hilton

**Field:** Bronco, San Andres, South

**Project Description:** Drilling & Completion of an approximate one mile horizontal well with the San Andres as the target formation

Account #	Cost Breakdown	Drilling	Completion Cost	Total
8200.100	Land, Surveying & Legal	\$5,500		\$5,500
8200.101	Abstract, Title & Permit	\$75,000		\$75,000
8200.102	ROW & Surface Damages	\$15,000		\$15,000
8200.103	Road, Pad Location & Pit Building	\$58,500		\$58,500
8200.104	Environ, Reg & Safety	\$2,500		\$2,500
8200.105	Well Insurance	\$2,200		\$2,200
8200.113	Contract Labor	\$3,850		\$3,850
8200.114	Consulting Services & Contract Supervision	\$42,500		\$42,500
8200.120	Vacuum & Pump Truck	\$4,500		\$4,500
8200.122	Material Transportation	\$10,400		\$10,400
8200.126	Fuel	\$30,600		\$30,600
8200.131	Chemical-Downhole Treating	\$8,160		\$8,160
8200.132	Mud & Additives	\$25,000		\$25,000
8200.140	Mob/Demob	\$55,000		\$55,000
8200.141	Mud Disposal/Pit Closure	\$155,000		\$155,000
8200.142	Trailer Rental, Camp & Catering	\$18,700		\$18,700
8200.144	Drilling Rig - Daywork or Footage	\$143,000		\$143,000
8200.149	Bits, Mills & Reamers	\$19,500		\$19,500
8200.151	Directional Services	\$95,000		\$95,000
8200.160	Casing Crews & Services	\$18,700		\$18,700
8200.161	Cementing Services	\$68,000		\$68,000
8200.169	Water Transfer	\$4,000		\$4,000
8200.170	Water Purchase	\$18,000		\$18,000
8200.175	Surface Equipment Rental & Services	\$60,800		\$60,800
8200.176	Downhole Equipment Rental & Services	\$26,400		\$26,400
8200.193	Downhole Inspection/Testing - Casing, Tubing & Rods	\$22,650		\$22,650
8200.301	Overhead	\$10,000		\$10,000
	<b>IDC Total:</b>	<b>\$998,460</b>		<b>\$998,460</b>
8250.200	Conductor/Drive Pipe	\$13,600		\$13,600
8250.201	Surface Casing	\$50,784		\$50,784
8250.203	Production Casing	\$190,080		\$190,080
8250.205	Wellhead Equipment, Flow Tee & Meter Run	\$13,880		\$13,880
8250.214	Other Downhole Equipment	\$28,800		\$28,800
	<b>TDC Total:</b>	<b>\$297,144</b>		<b>\$297,144</b>
	<b>Drilling Total:</b>	<b>\$1,295,604</b>		<b>\$1,295,604</b>

Account #	Cost Breakdown	Drilling	Completion Cost	Total
8300.114	Consulting Services & Contract Supervision		\$50,000	\$50,000
8300.120	Vacuum & Pump Truck		\$6,000	\$6,000
8300.122	Material Transportation		\$13,000	\$13,000
8300.126	Fuel		\$5,000	\$5,000
8300.131	Chemicals - Downhole Treating		\$3,500	\$3,500
8300.142	Trailer Rental, Camp & Catering		\$3,000	\$3,000
8300.143	Well Control - BOP, Isolation Assy		\$55,000	\$55,000
8300.146	Completion/Workover Rig		\$28,450	\$28,450
8300.148	Reverse Unit		\$20,000	\$20,000
8300.149	Bits, Mills & Reamers		\$3,500	\$3,500
8300.164	Wireline & Perforating		\$52,000	\$52,000
8300.169	Water Transfer		\$45,000	\$45,000
8300.170	Water Purchase		\$108,250	\$108,250
8300.171	Stimulation - Frac, Acid, Gravel Pack		\$720,000	\$720,000
8300.175	Surface Equipment Rental & Services		\$45,000	\$45,000
8300.176	Downhole Equipment Rental & Services		\$21,000	\$21,000
8300.179	Elect & Generator R&M		\$67,000	\$67,000
<b>ICC Total:</b>			<b>\$1,245,700</b>	<b>\$1,245,700</b>
8350.205	Wellhead Equipment, Flow Tee & Meter Run		\$12,000	\$12,000
8350.206	Tubing		\$30,000	\$30,000
8350.211	Electric Submersible Pumps		\$235,500	\$235,500
8350.213	Frac Plugs, Bridge Plus, Packers, Tubing Anchors		\$22,000	\$22,000
8350.221	Surface VSD, Transformer, POC & Associated Equipment		\$22,000	\$22,000
8350.234	Surface Pump & LACT's		\$1,500	\$1,500
<b>TCC Total:</b>			<b>\$323,000</b>	<b>\$323,000</b>
8600.100	Land, Surveying, & Legal		\$2,000	\$2,000
8600.102	ROW & Surface Damages		\$6,000	\$6,000
8600.111	Company Supervision		\$8,500	\$8,500
8600.120	Vacuum & Pump Truck		\$1,500	\$1,500
8600.122	Material Transportation		\$3,800	\$3,800
8600.175	Surface Equipment Rental & Services		\$3,500	\$3,500
<b>IFC Total:</b>			<b>\$25,300</b>	<b>\$25,300</b>
8650.222	Instrumentation & Meters		\$11,000	\$11,000
8650.224	Electrical Installation & Power Generation		\$10,000	\$10,000
8650.229	Prod & SWD Facility Inst.		\$42,000	\$42,000
8650.231	Separator, Heater Treater, FWKO		\$59,000	\$59,000
8650.233	Flowline & Gathering Lines		\$15,000	\$15,000
8650.235	Miscellaneous Non-Controllable - Pipe, Valves & Fittings		\$35,000	\$35,000
<b>TFC Total:</b>			<b>\$172,000</b>	<b>\$172,000</b>
<b>Completion Total:</b>			<b>\$1,766,000</b>	<b>\$1,766,000</b>
			<b>Drilling &amp; Completion Total:</b>	<b>\$3,061,604</b>
<b>Net %:</b>		<b>0.154321%</b>	<b>Net Total:</b>	<b>\$4,725</b>

Approved by: \_\_\_\_\_ Signature \_\_\_\_\_ Date: \_\_\_\_\_  
 Alisa Williams Ashton: \_\_\_\_\_

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**

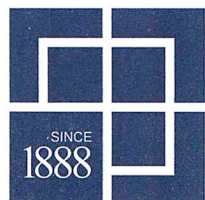
### Chronology of contact with locatable uncommitted interest

- January 2019 – Steward Energy II, LLC begins acquiring oil and gas leases from the original 59 mineral owners located in Tracts A and B. To date Steward Energy II, LLC has acquired 50 oil and gas leases within Tracts A and B.
- October 1, 2021 – Steward Energy II, LLC sends the Combo Fee #2H well proposals to the uncommitted unleased minerals owners via certified U.S. Mail.
- November 29, 2021 – Steward Energy II, LLC has received 5 executed election letters from uncommitted minerals owners who chose to participate in the drilling and completion of the Combo Fee #2H.

STEWARD ENERGY II, LLC

Case No. 22318

Exhibit A-5



hinklelawfirm.com

**HINKLE SHANOR LLP**

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner  
dhardy@hinklelawfirm.com

October 20, 2021

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO ALL INTERESTED PARTIES SUBJECT TO NOTICE**

**Re: Case No. 22318 - 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 has been filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **December 2, 2021** beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. 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 filed at the Division's Santa Fe office or submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/>) 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.

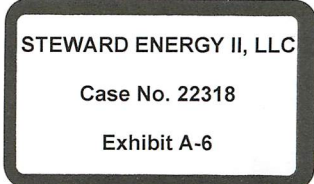
Please do not hesitate to contact me if you have any questions about this matter.

Sincerely,

/s/ Dana S. Hardy\_\_\_\_\_

Dana S. Hardy

Enclosure



PO BOX 10  
ROSWELL, NEW MEXICO 88202  
575-622-6510  
(FAX) 575-623-9332

PO BOX 2068  
SANTA FE, NEW MEXICO 87504  
505-982-4554  
(FAX) 505-982-8623

7601 JEFFERSON ST NE • SUITE 180  
ALBUQUERQUE, NEW MEXICO 87109  
505-858-8320  
(FAX) 505-858-8321

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Adult Signature Restricted Delivery

Postage \$ \_\_\_\_\_

Total Postage and Fees \$ \_\_\_\_\_

Sent To \_\_\_\_\_

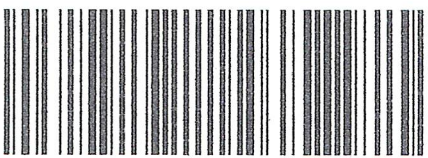
Street and \_\_\_\_\_  
Estate of Charles O. Biedenham  
12103 Windemere  
San Antonio TX 78230

City, State \_\_\_\_\_

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



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**INKLE SHANOR LLP**  
ATTORNEYS AT LAW  
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SANTA FE, NEW MEXICO 87504



**RECEIVED**

NOV -1 2021

Estate of Charles O. Biedenham  
12103 Windemere  
San Antonio TX 78230

Hinkle Shanor LLP  
Santa Fe NM 87504

*Handwritten initials:* HS, 10/1

NIXIE 782 FE 1 0010/25/

RETURN TO SENDER  
NOT DELIVERABLE AS ADDRESSED  
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UTF BC: 87504206868 \*2235-04172-20

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Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

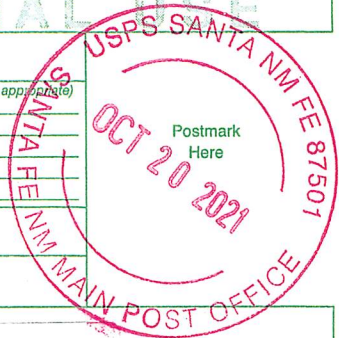
Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage  
 \$ \_\_\_\_\_

**Total Postage and Fees**  
 \$ \_\_\_\_\_

Sent To  
 Street and: Trevor Scott Humphrey  
 2300 Lighthouse Drive  
 City, State: New Braunfels, TX 78130

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



**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.

1. Article Addressed to:

Trevor Scott Humphrey  
 2300 Lighthouse Drive  
 New Braunfels, TX 78130



9590 9402 6746 1074 2200 09

2. Article Number (Transfer from service label)

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

Agent

Addressee

B. Received by (Printed Name)

Carlos Calourell

C. Date of Delivery

10/23/21

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery (over \$500)
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Domestic Return Receipt

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Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ \_\_\_\_\_

Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

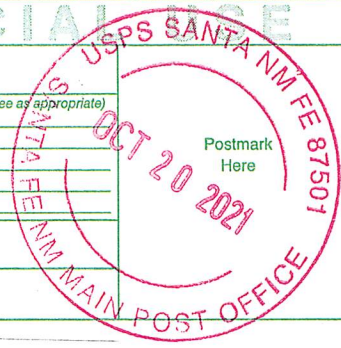
**Total Postage and Fees** \$ \_\_\_\_\_

Sent To \_\_\_\_\_

Street: Management Trust f/b/o Megan Elizabeth  
 Humphrey c/o John S. Humphrey, Sole Trustee  
 2317 Lighthouse Drive

City, St: New Braunfels, TX 78130

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



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input checked="" type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)            Carlos Caldwell</p> <p>C. Date of Delivery            10-23-21</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>Management Trust f/b/o Megan Elizabeth            Humphrey c/o John S. Humphrey, Sole Trustee            2317 Lighthouse Drive            New Braunfels, TX 78130</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>9590 9402 6746 1074 2199 97</p> <p>2. Article Number (Transfer from service label)            7020 2450 0002 1364 4693</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt



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Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage  
 \$ \_\_\_\_\_

**Total Postage and Fees**  
 \$ \_\_\_\_\_

Sent To  
 Street Joyce E. Moore  
 3404 Springbranch Drive  
 Richardson, TX 75082  
 City, State \_\_\_\_\_

Postmark Here  
 OCT 20 2021  
 USPS SANTA NM FE 87501  
 SANTA FE NM FE 87501  
 POST OFFICE

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<p>1. Article Addressed to:</p> <p>Joyce E. Moore        3404 Springbranch Drive        Richardson, TX 75082</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>9590 9402 6769 1074 5746 15</p> <p>7020 2450 0002 1364 4747</p>	

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 Return Receipt (electronic) \$  
 Certified Mail Restricted Delivery \$  
 Adult Signature Required \$  
 Adult Signature Restricted Delivery \$  
 Postage \$  
**Total Postage and Fees** \$

Sent To  
 Street and Number: Joan Randall  
 4603 Park Stone  
 City, State: Bryan, TX 77802

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

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Joan Randall  
 4603 Park Stone  
 Bryan, TX 77802



9590 9402 6769 1074 5746 08

2. Article Number (Transfer from service label)  
 7020 2450 0002 1364 4761

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *[Signature]*  Agent  
 Addressee

B. Received by (Printed Name) *CVI9* C. Date of Delivery *10/25*

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type
- Adult Signature
  - Adult Signature Restricted Delivery
  - Certified Mail®
  - Certified Mail Restricted Delivery
  - Collect on Delivery
  - Collect on Delivery Restricted Delivery
  - Insured Mail
  - Insured Mail Restricted Delivery (over \$500)
  - Priority Mail Express®
  - Registered Mail™
  - Registered Mail Restricted Delivery
  - Signature Confirmation™
  - Signature Confirmation Restricted Delivery

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Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage  
\$

Total Postage and Fees  
\$

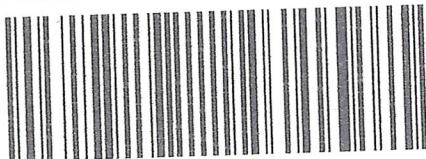
Sent To

Street and P.O. Box Estate of Ruth Lucille Terrell Smith  
P.O. Box 14085  
City, State, South Lake Tahoe, CA 95702

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



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**KLE SHANOR LLP**  
ATTORNEYS AT LAW  
ST OFFICE BOX 2068  
FE, NEW MEXICO 87504

10/23-  
11/8

Estate of Ruth Lucille Terrell Smith  
P.O. Box 14085  
South Lake Tahoe, CA 95702

~~Handwritten scribble~~ ANK

NIXIE 895 FE 1 0010/27/21

RETURN TO SENDER  
NOT DELIVERABLE AS ADDRESSED  
UNABLE TO FORWARD

BC: 87504206868 \*2255-04589-20-4

875042068

7020 2450 0002 1364 4778

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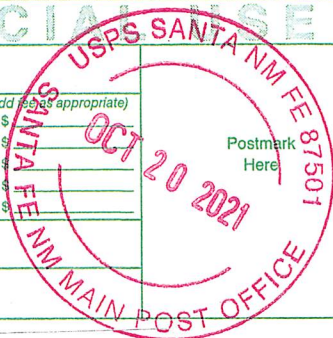
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Certified Mail Fee \$  
 Extra Services & Fees (check box, add fees as appropriate)  
 Return Receipt (hardcopy) \$  
 Return Receipt (electronic) \$  
 Certified Mail Restricted Delivery \$  
 Adult Signature Required \$  
 Adult Signature Restricted Delivery \$

Postage \$  
**Total Postage and Fees** \$

Sent To  
 Street and Judith Hunt Whittington  
 2605 Oak Point Drive  
 Garland, TX 75044  
 City, State,

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



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<p>1. Article Addressed to:</p> <p>Judith Hunt Whittington          2605 Oak Point Drive          Garland, TX 75044</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™  <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p><b>7020 2450 0002 1364 4778</b></p>	

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Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

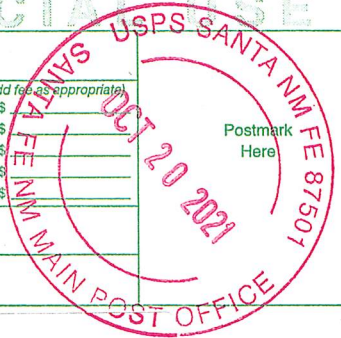
Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

**Total Postage and Fees** \$ \_\_\_\_\_

Sent To  
Larry D. Williams  
Street and P.O. Box 178  
Matador, TX 79244  
City, State, \_\_\_\_\_

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



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> <i>Larry Williams</i> <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Kay Williams</i> C. Date of Delivery <i>11/3/21</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>Larry D. Williams P.O. Box 178 Matador, TX 79244</p>	<p>3. Service Type <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label) 7020 2450 0002 1364 4716</p>	



9590 9402 6769 1074 5746 53

7020 2450 0002 1364 4730

**CERTIFIED MAIL® RECEIPT**  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**OFFICIAL USE**

Certified Mail Fee \$ \_\_\_\_\_

Extra Services & Fees (check box, add fees as appropriate)

Return Receipt (hardcopy) \$ \_\_\_\_\_

Return Receipt (electronic) \$ \_\_\_\_\_

Certified Mail Restricted Delivery \$ \_\_\_\_\_

Adult Signature Required \$ \_\_\_\_\_

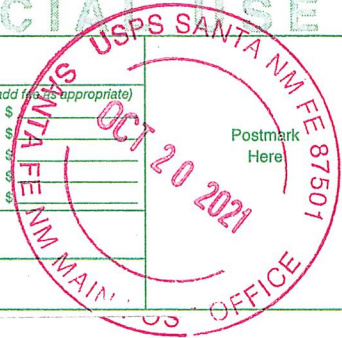
Adult Signature Restricted Delivery \$ \_\_\_\_\_

Postage \$ \_\_\_\_\_

**Total Postage and Fees** \$ \_\_\_\_\_

Sent To  
Leroy Woolsey  
Street and # 2016 Foxcroft  
Arlington, TX 76014  
City, State, ZIP+4® \_\_\_\_\_

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



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature XC19 1411 LE <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) Woolsey</p> <p>C. Date of Delivery 10/23/21</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>Leroy Woolsey 2016 Foxcroft Arlington, TX 76014</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7020 2450 0002 1364 4730</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt



9590 9402 6769 1074 5746 39

# 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 02, 2021  
and ending with the issue dated  
November 02, 2021.



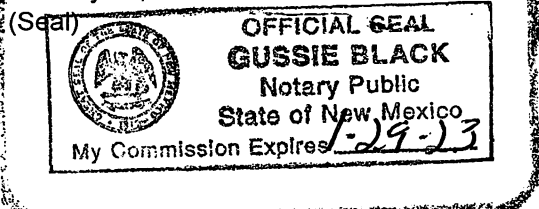
Publisher

Sworn and subscribed to before me this  
2nd day of November 2021.



Business Manager

My commission expires  
January 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

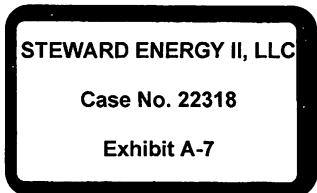
### LEGAL NOTICE November 2, 2021

This is to notify all interested parties, including Alisa Williams Ashton; Estate of Ruth Lucille Terrell Smith; Trevor Scott Humphrey; Management Trust f/b/o Megan Elizabeth Humphrey, John S. Humphrey, Sole Trustee; David Allen Terrell; Larry D. Williams; Estate of Charles O. Biedenharn; Leroy Woolsey; Janice S. Helton, Joyce E. Moore; Joan Randall; Judith Hunt Whittington; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Steward Energy II, LLC (Case No. 22318). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 2, 2021 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for that date: <https://www.emnrd.nm.gov/oed/hearing-info/>. Applicant applies for an order pooling all uncommitted mineral interests within the San Andres formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2E/2 of Section 22, Township 13 South, Range 38 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the following proposed initial well: Combo Fee #2H to be horizontally drilled from a surface hole location in the SW/4SE/4 (Unit O) of Section 15 to a bottom hole location in the SW/4SE/4 (Unit O) of Section 22 ("Well"). The completed interval of the Well will be unorthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, 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 14.5 miles Southeast of Tatum, New Mexico.  
#36988

02107475

00260135

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



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

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

**CASE NO. 22318**

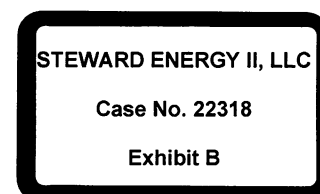
**SELF-AFFIRMED STATEMENT  
OF SHANE SEALS**

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 the above-referenced case.

3. **Exhibit B-1** is a location map for the proposed horizontal spacing unit (“Unit”) within the San Andres formation. The approximate wellbore path for the proposed **Combo 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 generally dipping from north to south. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.





5. **Exhibit B-1** identifies 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 interval of interest for the Well is labeled on the exhibit. This cross-section demonstrates the target interval is continuous across the Unit.

7. In my opinion, a standup orientation for the Well is appropriate properly develop the subject acreage because of consistent rock properties throughout the Unit and a 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 or 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.

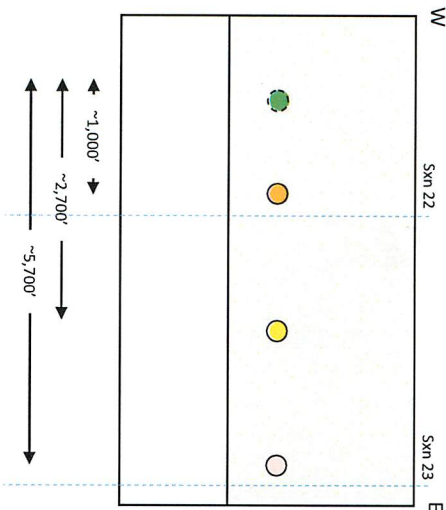
11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony in paragraphs 1 through 10 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

Shane Seals

11/22/2021  
Date

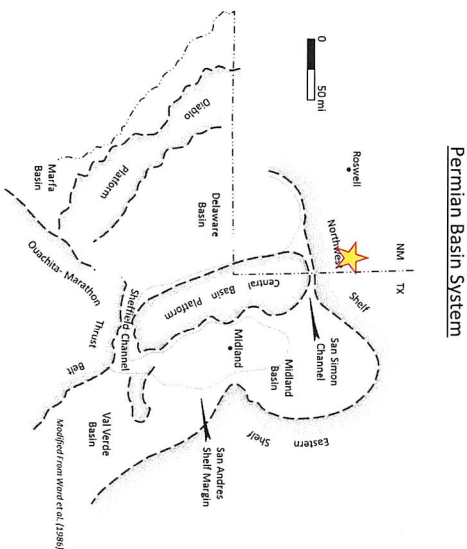
### Gun Barrel

(Not to scale - Refer to map for orientation)



**STEWARD ENERGY II, LLC**  
 Case No. 22318  
 Exhibit B-1

- Proposed Combo Fee #2H  
(south offset to Babineaux Fee #2H in sxn 15)
- Combo Fee #1H  
(Steward Energy)
- Felina Fee #5H (sxn 23)  
Gustavo Fee #5H (sxn 14)  
(Steward Energy)
- Slippin Jimmy Fee #1H  
(Steward Energy)

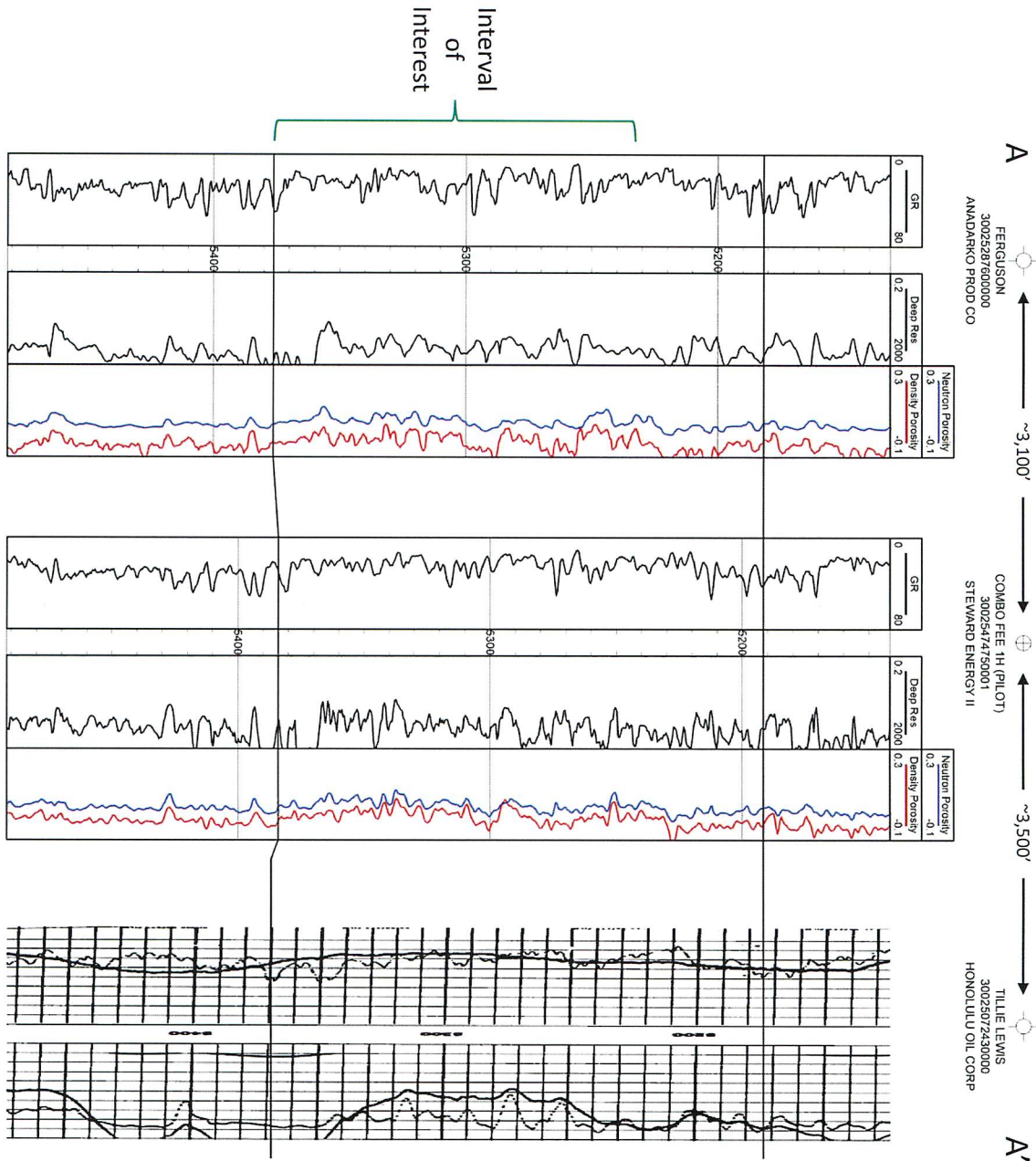


- Top San Andres PI Present
- Steward Energy (Combo) Acreage

- ↖ Proposed Combo Fee #2H  
(Arrow towards BHL)
- Producing Horizontal San Andres Well  
(Well Symbol at BHL)

- 20' Contour Interval
- 0 ft 1,000 ft
- Gun Barrel
- Cross Section





**STEWARD ENERGY II, LLC**  
Case No. 22318  
Exhibit B-2