Page 1 of 4 Submitted through OCD Permitting Portal on 1/23/25 by Jonathan Samaniego for Case 24517

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

APPLICATION OF SILVERBACK

OPERATING II, LLC, FOR COMPULSORY POOLING,

EDDY COUNTY, NEW MEXICO

CASE NO. 24517

RESPONSE

Jonathan Samaniego hereby files this response in case no 24517 on behalf of American Energy Resources, LLC (AER) in the above-referenced case.

American Energy Resources LLC objects all of Silverbacks claims of owning an interest in the Champlin leases.

First, American is not contesting that Silverback operates a wellbore on the Champlin lease, American is contesting that Silverback owning an interest in the Champlin lease, and that the Roche HSU are subject to the Champlin lease or by the Champlin lease.

American has ran a title and has listed Champlin lease title below:

<u>Champlin lease – Date: 2010 quit title Plaintiffs below who were awarded interest ownership and the change of title on the Champlin lease:</u>

Argo Energy Partners LTD, who assigned its interests to Cayon Capital Holdings LLC on April 16, 2024 and effective on January 1, 2024, in <u>Book: 1181 Page: 923</u>

Orion-Smith Oil Properties, who assigned its interests to Canyon Capital Holdings LLC on April 18, 2024 and effective on January 1, 2024, in <u>Book: 1181 Page: 927</u>

Dana & Dusty Sanderson, who assigned its interests to Canyon Capital Holdings LLC on April 23, 2024 and effective on January 1, 2024, in <u>Book: 1181 Page:951</u>

DES Acquisitions, still holds interest ownership.

Floyd W. Prather, still holds interest ownership.

American Energy Resources LLC title to interest ownership in the Champlin lease and has listed below: (All books and pages are all recorded at the Eddy County Clerks Office).

Bristal Resources Corporation, Bristal Resources 1994 Acquisition Limited Partnership, Bristal Resources Production Company L.L.C., assigned over all their interests in the Champlin lease to Staghorn Resources LLC on June 17, 1998, in Book: 321 Page: 1005

Staghorn Resources LLC, assigned over all interests in the Champlin lease to Texona Petroleum Corporation on November 24, 1998 in Book: 338 Page:995

Texona Petroleum Corporation, assigned over all interests in the Champlin lease to Wildcat Energy LLC., on May 3, 2000 in Book: 384 Page:209

ALL ASSIGNMENTS TO WILDCAT ENERGY WERE (10) YEARS PRIOR TO THE QUIT TITLE SUIT AGAINST THE REMAINING INTEREST PARTIES IN THE CHAMPLIN LEASE.

WILDCAT ENERGY LLC WAS NOT A LISTED PARTY ON THE QUITE TITLE.

Third, American contests the list of interest owners Silverback has provided as their pooling notification parties, all Silverbacks listed parties are not valid interest owners in the Silverback proposed pool or the Champlin lease.

Meridain 102, LP, does not own a lease in the Champlin lease or the Silverback proposed pool, Roche wells.

Michael Harrison Moore, does not own a lease in the Champlin lease or the Silverback proposed pool, Roche wells.

Ryan Moore SSMTT GST Exempt Trust, does not own a lease in the Champlin lease or Silver backs proposed pool, Roche wells.

Ryan Moore SSMTT GST non Exempt Trust, does not own a lease in the Champlin lease or Silverbacks propose pool, Roche wells.

Fourth, American points out that Silverback list of Plaintiffs who were awarded interest ownership, were in fact not listed on Silverback pooling case as interest owners, nor was Canyon Capital Holdings, LLC or South Paw Land and Timber LLC.

Furthermore, Silverback Operating ii, LLC, does not own an interest in the proposed pool, therefore Silverback has no standing or merit to pool, 19.15.4.8 (A) NMAC.

2. A party may file an application for pooling if it has a right to drill.

Silverback does not have a right to drill because it does not own a mineral interest in the subject lands it seeks to pool, 19.15.14.8 (B)(1)(A).

3.A party with no ownership of interest, under statutes 19.15.4.8. (A) NMAC and 19.15.14.8.(B)(1)(A) NMAC has no right to participate in the administrative proceeding, no right to move forward with any administrative proceedings, no right to motion to strike an effected party.

Silverback does not own an interest ownership in their proposed pool and therefore has no right to proceed forward with these cases.

4.American Energy Resources LLC through the burden of proof has provided the record of books and pages of title to recorded documents that show Silverback does not own and interest in their proposed pool in the Champlin lease or their proposed pool. 5. American Energy Resources LLC through its oil and gas lease through Wildcat Energy LLC is with standing and merit to interest ownership in the Champlin lease, for they were assigned 10 years prior of the quit title suit, and under New Mexico Property Tax code statutes grants the new owner such as American Energy Resources LLC has interest ownership, title, and rights to the in the Champlin lease and its bountiful it may produce.

ALL ASSIGNMENTS TO WILDCAT ENERGY WERE (10) YEARS PRIOR TO THE QUIT TITLE SUIT AGAINST THE REMAINING INTEREST PARTIES IN THE CHAMPLIN LEASE.

WILDCAT ENERGY LLC WAS NOT A LISTED PARTY ON THE QUITE TITLE.

6.Silverback Operating ii LLC has brought their pooling case fourth with unclean hands and has acting in bad faith efforts.

WHEREFORE, American Energy Resources LLC is requesting for Silverback Operating ii LLC to immediately provide valid recorded proof of interest ownership, in order to proceed with its pooling proceedings.

American Energy Resources LLC respectfully requests that Silverback Operating ii LLC filed application by affidavit and cases be terminated, canceled, dismissed on the grounds of not owning an ownership interest and furthermore be stricken from the record.

Respectfully Supmitted,

Jonathan Sa laniego

Jonathan Sanahego

P.O. Box 114 Hagerman, NM 88232

Energy.jrs@gmail.com

Representative for American Energy Resources, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true a correct copy of the foregoing was filed with the New Mexico Oil

Conservation Division and was served on counsel of record via Electronic mail on January 23,

2025:

HOLLIDAY ENERGY LAW GROUP, PC

Benjamin B. Holliday

107 Katherine Court, Suite 100

San Antonio, Texas 78209

Phone: (210)469-3197

ben@theenergylawgroup.com

ben-svc@theenergylawgroup.com

ATTORNEYS FOR SILVERBACK OPERATING II, LLC