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

AMENDED APPLICATION OF ALPHA ENERGY PARTNERS, LLC, FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE No. 25166

RESPONSE TO AMERICAN ENERGY RESOURCES LLC'S MOTION TO STRIKE AND ALPHA'S MOTION TO COMPEL THE P&A OF THE SAIK #001 WELL

Alpha Energy Partners, II, LLC, ("Alpha"), through its undersigned attorneys, submits to the Oil Conservation Division ("Division" or "OCD") this Response to the Motion to Strike Alpha's Application in Case No. 25166 filed by American Energy Resources LLC ("AmER") on February 19, 2025, and Alpha's Motion to Compel the plug and abandon ("P&A") of the Saik #001 Well ("Response" and "Motion"). In support of its Response and Motion, Alpha states the following:

1. AmER is the OCD designated Operator of the Saik #001 well (API No. 30-015-20971) (the "Saik Well"), which is located in the NW/4NE/4 (Unit B) of Section 17, Township 22 South, Range 27 East, PMNM, Eddy County, New Mexico. The spacing unit for the Saik Well is the N/2 of Section 17 (the "Saik DSU"). Division records indicate zero production from the Saik Well from 2008 to 2021, and no reports for production have been submitted to the OCD from 2021 to the present. *See* OCD Production Information attached hereto as Exhibit 1. Pursuant to 19.15.25.8A and B NMAC, an operator of a well "shall plug" the well within 90 days after "a period of one year in which a well as been continuously inactive." 19.15.25.8B(3) NMAC. The Saik #001 has been non-productive since 2008 and it is currently listed on the OCD's Inactive Well List as of February 25, 2025. *See* Inactive Well List for AmER attached hereto as Exhibit 2.

- 2. Furthermore, AmER has a total well count of nine wells, three of which are currently listed as inactive. *See id.* Under 19.15.5.8A(4) NMAC, an operator is out of compliance if the operator has more than "two wells or fifty percent of the wells the operator operates, whichever is less, if the operator operates 100 wells or less." AmER operates a total of nine wells with three wells, including the Saik #001, listed as inactive; consequently, AmER's Saik #001 is out of compliance with OCD rules.
- 3. The Division recognized the need for the Operator of the Saik #001 to plug and abandon ("P&A") the well in 2017 when Wildcat Energy LLC was the OCD recognized the Operator of the well. *See* Letter of Violation re Inactive Well(s) dated March 2, 2017, attached hereto as Exhibit 3. In the Letter of Violation, the Division mandated that either the Saik Well (1) be "immediately" restored to production, or (2) be placed on "Temporary Abandoned" status, or (3) proceed with plugging procedures. Records show that none of the options have been accomplished to date.
- 4. AmER by providing isolated examples of select assignments purports to claim that it owns current leasehold interest in the Saik Unit. *See* AmER's Motion to Strike, Attachment A. However, the leases AmER purports to own date from the late 1960s to the early 1970s. Such leases have expired as a matter of law due to Saik Well's years of lack production, and recent leases and ownership in the Saik Unit has supplanted AmER's expired leases. *See* Alpha's Exhibit A-2 (Ownership), Tracts 1 8, which cover the Saik Unit, showing current title and ownership which does not include AmER as an owner or any of the leases AmER purports to own in the Attachment A of its Motion to Strike. Alpha owns 100% of the leasehold rights of all the tracts in the Saik DSU.

- 5. In spite of its lack of ownership in the Saik DSU, AmER filed a Form C-145 with the Division requesting a Change of Operator from Wildcat Energy LLC ("Wildcat") to AmER as the new operator, in which AmER assumed all liabilities and consequences associated with a non-producing well in which AmER has no ownership. *See* AmER's Change of Operator, attached hereto as Exhibit 4. In its Change of Operator, AmER certified to the Division that "I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed in approved temporary abandonment. *See* 19.15.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment in 19.15.25 NMAC. *See also* Wildcat's Lis Pendens, III. Factual Background, p. 5, ¶ 13, attached hereto as Exhibit 6 (Wildcat confirming that Jonathan Samaniego, representative of AmER, contacted Wildcat "about acquiring three non-producing wells" in Eddy County from Wildcat: "The Rio Penasco KD #3 (the "Rio Penasco Well"); the Henry 2 Well *and the SAIK Well*.") (emphasis added).
- 6. Without ownership in the Saik DSU or well and given the well's current inactive status and its years of non-production, AmER does not have any basis or right to reenter and attempt to produce the Saik Well, which was earmarked for plugging by the Division in 2017. *See* Exhibit 3 (Letter of Violation). Nonetheless, AmER falsely perpetuates its claim with the Division that the non-producing Saik Well is suitable for re-entry instead of being plugged. *See* recent plans proposed by AmER to reenter the Saik #001 well attached hereto as Exhibit 5.
- 7. Alpha's title analysis and its Ownership Exhibit A-2 show that AmER owns no interest in the Saik DSU or in the wellbore of the Saik Well, a conclusion that is supported by the expiration of the leases (circa 1960s and early 1970s) in AmER's Attachment A. If AmER disputes this conclusion, it would need to initiate a quiet title action in district court to address any dispute, and more importantly, to demonstrate to the Division that it has sufficient ownership in the Saik

Well that would give AmER a right to reenter the well and produce it. Without working interest

or wellbore interest, AmER does not have the right to drill, reenter or produce the Saik Well.

Lacking ownership interest in minerals in the Saik DSU any attempt by AmER to reenter and

produce the Saik Well would be a trespass on the rights of the current leasehold owners which do

not include AmER. In sum, by filing a Change of Operator with the Division and acquiring the

rights to the Saik Well, AmER has acquired only the personal property of salvage materials with

no property rights except the obligation to plug the well and clean up and remediate any and all

contaminants in the well's vicinity.

8. Conclusion: For the foregoing reasons, Alpha respectfully requests that the

Division deny AmER's Motion to Strike Alpha's application in Case No. 25166 and proceed with

the scheduled hearing on March 4, 2025. Furthermore, Alpha formally protests and objects to any

attempt by AmER to reenter the defunct and inert Saik Well and requests that the Division review

the well's history of not producing since 2008; the well's inactive status; and the ongoing

violations of 19.15.5.9 NMAC (regarding number of inactive wells out of compliance) and

19.15.25.8 NMAC (regarding the need to P&A the Saik Well) in order to confirm that the Saik

Well should be plugged.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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Attorneys for Alpha Energy Partners, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record, or on party if self-represented, via electronic mail on February 26, 2025:

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/s/ Darin C. Savage
Darin C. Savage

SIGN-IN HELP

Searches

Operator Data

Hearing Fee Application

OCD Permitting

30-015-20971 SAIK #001 [336641]

Operator:	[372991] American Energy Resources LLC		
Status:	Active	Direction:	Vertical
Well Type:	Gas	Multi-Lateral:	No
Work Type:	New	Mineral Owner:	Private
		Surface Owner:	Private
Surface Location:	B-17-22S-27E 990 FNL 1980 FEL		
Lat/Long:	32.3971138,-104.2098923 NAD83		
GL Elevation:	3122		
KB Elevation:		Sing/Mult Compl:	Single
DF Elevation:		Potash Waiver:	False
Proposed Formation and/or Notes			
NT TO P&A EXPIRED 5/11/2010			
Pepths			
Proposed:	0	True Vertical Depth:	11690
Measured Vertical Depth:	11690	Plugback Measured:	0
ormation Tops			
1	Formation	Top Producing Metho	d Obtained
Event Dates			
Initial APD Approval:	09/01/1974		
Most Recent APD Approval:	01/07/2025	Current APD Expiration:	09/01/1976
APD Cancellation:		- примент	00.00.0
APD Extension Approval:			
Spud:	03/10/1996	Gas Capture Plan Received:	
Approved Temporary	22.12.1000	TA Expiration:	
Abandonment:			
Shut In:			
Plug and Abandoned Intent		PNR Expiration:	
Received:		Last MIT/BHT:	12/23/2024
Well Plugged:			
Site Release:			
Last Inspection:	12/23/2024		

History								
Effective Date	Property	Well Number	Operator	C-101 Work Type	Well Type	Well Status	Apd Cancelled	Plug Date
01/07/2025	[336641] SAIK	#001	[372991] American Energy Resources LLC	New	Gas	Active		

https://www.apps.emnrd.nm.gov/OCD/OCDPermitting/Data/WellDetails.aspx?api=30-015-20971

EXHIBIT

Quick Links

General Well

History

Comments

• Operator 🦠

• Pits

Casing

Well Complet

 Financial Ass Compliance

Orders

• Production

<u>Transporters</u>

Points of Disp.

• Action Status

Associated

• Well Files (95

• Well Logs (3)

• Well Admin O

New Search

New Facility 5

New Incident

New Operator

New Pit Searce

New Spill Sea

New Tank Se

New Well Sea

10/27/2010	[308584] SAIK	#001	[209564] WILDCAT ENERGY LLC	New	Gas	Active	
01/01/2006	[302160] SAIK	#001	[192463] OXY USA WTP LIMITED PARTNERSHIP	New	Gas	Active	
02/01/1997	[20597] SAIK	#001	[16696] OXY USA INC	New	Gas	Active	
01/01/1997	[20372] SAIK	#001	[2894] BRISTOL RESOURCES CORP	New	Gas	Active	
01/01/1996	[18292] SAIK	#001	[873] APACHE CORPORATION	New	Gas	Active	
11/01/1995	[4864] SAIK	#001	[9761] APACHE ENERGY RESOURCES CORP	New	Gas	Active	
09/01/1974	[4864] SAIK	#001	[9761] APACHE ENERGY RESOURCES CORP	New	Gas	Active	

Comments			
Pits			
Pit On Site: Number	<u>1</u>		
Pit Type:	Other	Status:	Active
Registration Denie			
Closure Approved:	:		
Closure Denied:			
Event Dates			
Registered:		Approved:	02/10/2010
Open:		Closed (most recent rig release):
Notes			
Date		Detail	
02/10/2010	210003 (P&A Pit)		
	-		

Casing															
			Boreholes, Strings and Equipment Specifications				Specifications for Strings and Tubing			Strings Cemented and Intervals			Cement and Plug Description		
String/Hole Type	Taper	Date Set	Diameter	Тор	Bottom (Depth)	Grade	Length	Weight	Bot of Cem	Top of Cem	Meth	Class of Cement	Sacks	Pressur Test (Y/N)	
Hole 1	1		13.375	0	358		0	0.0	0	0			0	No	
Surface Casing	1		13.375	0	358		358	48.0	358	0		Class C Cement	380	No	
Hole 2	1		9.625	0	3560		0	0.0	0	0			0	No	
Intermediate 1 Casing	1		9.625	0	3560		3560	36.0	3560	0		Class C Cement	1150	No	
Hole 3	1		7.000	0	10500		0	0.0	0	0			0	No	
ntermediate 2	1		7.000	0	10500		10500	23.0	10500	0		Class C Cement	575	No	

2/25/25, 5:16 PM OCD Permitting - Well Details

Packer	1	4.500	9113	9118	5	0.0	0	0		0	No
Hole 4	1	4.500	10392	11685	0	0.0	0	0		0	No
Production Casing	1	4.500	10392	11685	1293	99.0	11685	0	Class C Cement	180	No
Tubing 1	1	2.375	0	9113	9113	0.0	0	0		0	No

Well Completions

[73960] CARLSBAD; MORROW, SOUTH (GAS)

Zone Permanently Plugged Last Produced: 04/01/1996

Bottomhole Location: B-17-22S-27E 990 FNL 1980 FEL

Lat/Long: Acreage:

DHC: No Consolidation Code:

Production Method: Flowing

Well Test Data

Production Test: Test Length: 0 hours Flowing Tubing Pressure: 0 psi Flowing Casing Pressure: 0 psi

Testing Method: Choke Size: 0.000 inches

Gas Volume: 0.0 MCF Oil Volume: 0.0 bbls Gas-Oil Ratio: 0 Kcf / bbl Oil Gravity: 0.0 Corr. API Water Volume: 0.0 bbls

Disposition of Gas:

Perforations

Top Measured Depth

Bottom Measured Depth (Where Completion Enters Top Vertical Depth **Bottom Vertical Depth** Date (End of Lateral)

Formation)

Notes

Event Dates

Initial Effective/Approval: 09/01/1974 Most Recent Approval: 03/10/1996

TA Expiration: Confidential Until: Confidential Requested On: Test Allowable Approval: Test Allowable End:

TD Reached: DHC:

Deviation Report Received: No Rig Released:

Logs Received: Directional Survey Run: Nο Nο

Closure Pit Plat Received: **Directional Survey Received:** No

First Oil Production: 01/01/1975 First Gas Production: 01/01/1975 First Injection:

Ready to Produce: Completion Report Received: C-104 Approval: New Well C-104 Approval:

[873] APACHE CORPORATION

Plug Back:

Revoked Until: Authorization Revoked Start:

Well Completion History

01/01/1996

TΑ Effective Well Property Operator **Completion Status** Expiration Date Number Date 03/10/1996 [18292] SAIK #001 [873] APACHE CORPORATION Zone Permanently Plugged

Active

https://wwwapps.emnrd.nm.gov/OCD/OCDPermitting/Data/WellDetails.aspx?api=30-015-20971

#001

[18292] SAIK

11/01/1995	[4864] SAIK	#001	[9761] APACHE ENERGY RESOURCES CORP	Active	
02/08/1994	[4864] SAIK	#001	[9761] APACHE ENERGY RESOURCES CORP	Active	
09/01/1974	[4864] SAIK	#001	[9761] APACHE ENERGY RESOURCES CORP	Active	

[74040] CARLSBAD; STRAWN (GAS)

03/01/1996 Zone Permanently Plugged Last Produced: Status:

Bottomhole Location: B-17-22S-27E 990 FNL 1980 FEL

Lat/Long: Acreage:

DHC: No Consolidation Code:

> Production Method: Flowing

> > 0.0 bbls

Well Test Data

Production Test: Test Length: 0 hours Flowing Tubing Pressure: Flowing Casing Pressure: 0 psi 0 psi

Choke Size: 0.000 inches Testing Method: Gas Volume: 0.0 MCF Oil Volume:

0.0 Corr API Gas-Oil Ratio: 0 Kcf / bbl Oil Gravity: Water Volume: 0.0 bbls

Disposition of Gas:

Perforations

Top Measured Depth **Bottom Measured Depth** Date (Where Completion Enters Top Vertical Depth **Bottom Vertical Depth**

(End of Lateral) Formation)

Notes

Event Dates

Initial Effective/Approval:

Most Recent Approval: 03/10/1996 TA Expiration:

09/01/1974

Confidential Requested On: Confidential Until: Test Allowable Approval: Test Allowable End:

DHC: TD Reached: **Deviation Report Received:** Nο Rig Released:

Directional Survey Run: No Logs Received: No

Directional Survey Received: Closure Pit Plat Received:

First Oil Production: 01/01/1975 First Gas Production: 01/01/1975 First Injection:

Completion Report Received: Ready to Produce: C-104 Approval: New Well C-104 Approval: Plug Back:

Authorization Revoked Start: Revoked Until:

Well Completion History

TA Effective Well Expiration Property Operator **Completion Status** Number Date Date 03/10/1996 [18292] SAIK [873] APACHE CORPORATION Zone Permanently Plugged #001 01/01/1996 [18292] SAIK #001 [873] APACHE CORPORATION Active 11/01/1995 [4864] SAIK #001 [9761] APACHE ENERGY RESOURCES CORP Active 02/08/1994 [4864] SAIK #001 [9761] APACHE ENERGY RESOURCES CORP Active 09/01/1974 [4864] SAIK #001 [9761] APACHE ENERGY RESOURCES CORP Active

[74160] CARLSBAD; WOLFCAMP, EAST (GAS)

Status: Active Last Produced: 10/01/2008

Bottomhole Location: B-17-22S-27E 990 FNL 1980 FEL

Lat/Long:

Acreage: N/320 17-22S-27E Units: A B C D E F G H

DHC: No Consolidation Code:

Production Method: Flowing

Well Test Data

 Production Test:
 Test Length:
 0 hours

 Flowing Tubing Pressure:
 650 psi
 Flowing Casing Pressure:
 0 psi

Choke Size: 0.160 inches Testing Method:

 Gas Volume:
 727.0 MCF
 Oil Volume:
 132.0 bbls

 Gas-Oil Ratio:
 0 Kcf / bbl
 Oil Gravity:
 0.0 Corr. API

 Disposition of Gas:
 Water Volume:
 196.0 bbls

Perforations

Top Measured Depth

Date (Where Completion Enters Bottom Measured Depth Top Vertical Depth Bottom Vertical Depth

Formation)

Formation)

DHC:

05/02/1996

9434 9713 0

(End of Lateral)

Notes

Event Dates

 Initial Effective/Approval:
 03/18/1996

 Most Recent Approval:
 01/07/2025

 TA Expiration:

Confidential Requested On: Confidential Until:
Test Allowable Approval: Test Allowable End:

TD Reached:

 Deviation Report Received:
 No
 Rig Released:

 Directional Survey Run:
 No
 Logs Received:
 No

Directional Survey Received: No Closure Pit Plat Received:

First Oil Production: 05/02/1996 First Gas Production:

First Injection:

 Ready to Produce:
 05/02/1996
 Completion Report Received:

 C-104 Approval:
 09/25/1996
 New Well C-104 Approval:

C-104 Approval: 09/25/1996 **Plug Back:**

Authorization Revoked Start: 06/22/2017 Revoked Until:

Well Completion History

Effective Date	Property	Well Number	Operator	Completion Status	TA Expiration Date
01/07/2025	[336641] SAIK	#001	[372991] American Energy Resources LLC	Active	
10/27/2010	[308584] SAIK	#001	[209564] WILDCAT ENERGY LLC	Active	
01/01/2006	[302160] SAIK	#001	[192463] OXY USA WTP LIMITED PARTNERSHIP	Active	
02/01/1997	[20597] SAIK	#001	[16696] OXY USA INC	Active	
01/01/1997	[20372] SAIK	#001	[2894] BRISTOL RESOURCES CORP	Active	
03/18/1996	[18292] SAIK	#001	[873] APACHE CORPORATION	Active	

Financial Assurance

Please login to review the financial assurance associated with this well.

Compliance

Note that Financial Assurance and Inactive Well Compliance are documented in separate reports (Inactive Well Report, Financial Assurance Report).

Also note that some compliance issues are addressed at the operator level so not listed under each well.

cGC1706129094

Violation Source:

 Date of Violation:
 03/02/2017

 Compliance Required:
 06/05/2017

06/05/2017 Resolved:

Notes

IDLE WELL

Actions/Events

Event Date Category Type

 03/02/2017
 Enforcements
 Plug/Abandonment

 03/02/2017
 Notifications
 Letter of Violation

cTM1720038562

Violation Source: Other

Date of Violation: 07/19/2017

Compliance Required: 10/22/2017 Resolved:

Notes

IDLE WELL

Actions/Events

Event Date Category Type

 07/19/2017
 Enforcements
 Other Violation

 07/19/2017
 Notifications
 Letter of Violation

cDA2314421630

Violation Source: Field Inspection

Date of Violation: 05/23/2023

Compliance Required: 08/21/2023 Resolved:

Notes

Actions/Events

Event Date Category Type

cDA2435944155

Violation Source:Field InspectionDate of Violation:12/23/2024

Compliance Required: 03/23/2025 Resolved:

12/24/2024	Notifications	Pre Enforcement Notification
Event Date	Category	Туре
Actions/Events		
Vegetation around heater treater needs to be	cleaned.	
Notes		

Orders	
Please login to review the orders associated with this well.	

arliest Production in C	OCD Records:	12/1992 La	ast	10/2008			Show All Pro	Show All Production		
		Produ	uction							
Time Frame	Oil (BBLS)	Gas (MCF)	Water (BBLS)	Days P/I	Water (BBLS)	Co2 (MCF)	Gas (MCF)	Other	Pressure	
1992 Cumulative	3,721	5,144,654	20,452	198	0	0	0	0	N/A	
1993	116	45,904	3,966	844	0	0	0	0	N/A	
1994	1	39,188	0	396	0	0	0	0	N/A	
1995	100	40,464	3,529	728	0	0	0	0	N/A	
1996	6,895	88,625	325	422	0	0	0	0	N/A	
1997	260	10,118	0	31	0	0	0	0	N/A	
1998	194	18,400	19	245	0	0	0	0	N/A	
1999	300	20,750	16	363	0	0	0	0	N/A	
2000	156	16,552	368	366	0	0	0	0	N/A	
2001	114	12,736	116	351	0	0	0	0	N/A	
2002	95	8,955	0	347	0	0	0	0	N/A	
2003	8	3,537	0	350	0	0	0	0	N/A	
2004	0	1,722	0	318	0	0	0	0	N/A	
2005	45	1,991	0	358	0	0	0	0	N/A	
2006	84	2,942	0	364	0	0	0	0	N/A	
2007	12	5,582	0	365	0	0	0	0	N/A	
2008	0	731	0	130	0	0	0	0	N/A	
2009	0	0	0	151	0	0	0	0	N/A	
2010	0	0	0	59	0	0	0	0	N/A	

2011	0	0	0	0	0	0	0	0	N/A
2012	0	0	0	0	0	0	0	0	N/A
2013	0	0	0	0	0	0	0	0	N/A
2014	0	0	0	0	0	0	0	0	N/A
2015	0	0	0	0	0	0	0	0	N/A
2016	0	0	0	0	0	0	0	0	N/A
2017	0	0	0	0	0	0	0	0	N/A
2018	0	0	0	0	0	0	0	0	N/A
2019	0	0	0	0	0	0	0	0	N/A
2020	0	0	0	0	0	0	0	0	N/A
2021	0	0	0	0	0	0	0	0	N/A
Grand Total:	12,101	5,462,851	28,791	6,386	0	0	0	0	N/A

Transporters			
•			
	Transporter	Product	Most Recent for Property

Points of Disposition			
ID	Туре	Description	Pool(s)
2804606	Water		[73960] CARLSBAD;MORROW, SOUTH (GAS), [74040] CARLSBAD;STRAWN (GAS), [74160] CARLSBAD;WOLFCAMP, EAST (GAS)
2804605	Gas		[74160] CARLSBAD;WOLFCAMP, EAST (GAS)
2804604	Oil		[74160] CARLSBAD;WOLFCAMP, EAST (GAS)

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EMNRD Home OCD Main Page OCD Rules Help

OCD Permitting 2/25/25, 5:11 PM

Inactive Well List

Total Well Count: 9 Inactive Well Count: 3 Printed On: Tuesday, February 25 2025

District	API	Well	ULSTR	OCD Unit	Ogrid	Operator	Lease Type	Surface Owner	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-015-23801	RIO PENASCO KD COM #003	A-11-19S-25E	Α	372991	American Energy Resources LLC	Р	Р	G	11/1996			
2	30-015-20971	SAIK #001	B-17-22S-27E	В	372991	American Energy Resources LLC	Р	Р	G	10/2008	INT TO P&A EXPIRED 5/11/2010		
1	30-025-24876	SHIPP 27 #001	O-27-16S-37E	0	372991	American Energy Resources LLC	Р	Р	0	12/2009	STRAWN		

WHERE Operator:372991, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

EXHIBIT 2

State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Tony Delfin

Acting Cabinet Secretary

David R. Catanach, Division Director

Oil Conservation Division



Response Required - Deadline Enclosed

02-Mar-17

WILDCAT ENERGY LLC

P.O. BOX 13323 ODESSA TX 79768-

LETTER OF VIOLATION - Inactive Well(s)

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 19.15.25.8 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that this well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

- 1. Immediately restore the well(s) to production, injection or disposal as applicable.
- 2. Request Temporary Abandoned' status pursuant to Rule 19.15.25.13, which requires that you set a plug and conduct a mechanical integrity test.
- 3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 19.15.25.9, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

IDLE WELL INSPECTION DETAIL SECTION

SAIK 001

B-17-22S-27E

30-015-20971-00-00

Inspection No. iGC1706128844

Inspection Date: Type Inspection

3/2/2017 8:00:42 AM Inspector

Corrective Action Due by: 6/5/2017 Violation?

*Significant Non-Compliance?

Routine/Periodic

Gilbert Cordero

Yes

No

Comments on Inspection:

Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 10-1-08

Oil Conservation Division * 811 S. First St. * Artesia, New Mexico 88210 Phone: 575-748-1283 * Fax: 575-748-9720 * http://www.emnrd.state.nm.us

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely

Gilbert Cordero
Compliance Officer

Artesia OCD District Office

* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.

C-145

1/7/2025 ^1:20 p/m/2025 1:43:08 PM

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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

Change of Operator

Form C-145 Revised May 19, 2017

Permit 380818

Previous Operator Information New Operator Information Effective Effective on the date of approval by the OCD Date: OGRID: 209564 OGRID: 372991 Name: WILDCAT ENERGY LLC Name: American Energy Resources LLC Address: P.O. Box 13323 Address: P.O. BOX 114 City, State, Zip: Odessa, TX 79768 City, State, Hagerman, NM 88232 Zip:

I hereby certify that the rules of the Oil Conservation Division ("OCD") have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, American Energy Resources LLC certifies that it has read and understands the following synopsis of applicable rules.

PREVIOUS OPERATOR certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells being transferred are either (1) in compliance with 19.15.17 NMAC, (2) have been closed pursuant to 19.15.17.13 NMAC or (3) have been retrofitted to comply with Paragraphs 1 through 4 of 19.15.17.11(I) NMAC.

American Energy Resources LLC understands that the OCD's approval of this operator change:

- 1. constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
- constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

As the operator of record of wells in New Mexico, American Energy Resources LLC agrees to the following statements:

1. Initials 04 I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand that the OCD's rules are available on the OCD website under "Rules," and that the Water Quality Control Commission rules are available on the OCD website on the "Publications" page.

2. Initials I understand that if I acquire wells from another operator, the OCD must approve the operator change before I

begin operating those wells. See Subsection B of 19.15.9.9 NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing inactive wells or environmental cleanup, before the OCD will approve the operator change it may require me to enter into an enforceable agreement to return those wells to compliance. See Paragraph (2) of Subsection C of

Initials I must file a monthly C-115 report showing production for each non-plugged well completion for which the OCD has approved an allowable and authorization to transport, and injection for each injection well. See 19.15.7.24 NMAC. I understand that the OCD may cancel my authority to transport from or inject into all the wells I operate if I fail to file C-115

reports. See Subsection C of 19.15.7.24 NMAC.
4. Initials I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed in approved temporary abandonment. See 19.15.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment in 19.15.25 NMAC. I understand that I can check my compliance with the basic requirements of

19.15.25.8 NMAC by using the "Inactive Well List" on OCD's website.

5. Initials I must keep current with financial assurances for well plugging. I understand that New Mexico requires each state well that has been inactive for more than two years and has not been plugged and released to be covered by a single-well financial assurance or a "blanket plugging financial assurance for wells in temporarily abandoned statues", even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See Subsection C of 19.15.8.9 NMAC. I understand that I can check my compliance with the financial assurance requirement by using the Inactive Well Additional Financial Assurance Report" on the OCD's website.
6. Initials ______ am responsible for reporting and remediating releases pursuant to 19.15.29 NMAC. I understand the OCD will

look to the as the operator of record to take corrective action for releases at my wells and related facilities, including releases that occurred before I became operator of record. I am responsible for conducting my own due diligence for any releases that have occurred prior to becoming operator of my wells and related facilities and am responsible for any open releases or

unreported releases.
7. Initials L have read 19.15.5.9 NMAC, commonly known as "Part 5.9," and understand that to be in compliance with its requirements I must have the appropriate financial assurances in place, comply with orders requiring corrective action, pay penalties assessed by the courts or agreed to by me in a settlement agreement, and not have too many wells out of compliance with the inactive well rule (19.15.25.8 NMAC). If I am in violation of Part 5.9, I may not be allowed to drill, acquire or produce any additional wells, and will not be able to obtain any new injection permits. See 19.15.16.19 NMAC, 19.15.26.8 NMAC, 19.15.9.9 NMAC and 19.15.14.10 NMAC. If I am in violation of Part 5.9 the OCD may, after notice and hearing, revoke my existing pjection permits and seek other relief. See 19.15.26.8 NMAC and 19.15.5.10 NMAC.

8. Initials For injection wells, I understand that I must report injection on my monthly C-115 report and must operate my wells in compliance with 19.15.26 NMAC and the terms of my injection permit. I understand that I must conduct mechanical integrity tests on my injection wells at least once every five years. See 19.15.26.11 NMAC. I understand that when there is a continuous one-year period of non-injection into all wells in an injection or storage project or into a saltwater disposal well or special purpose injection well, authority for that injection automatically terminates. See 19.15.26.12 NMAC. I understand that if I transfer operation of an injection well to another operator, the OCD must approve the transfer of authority to inject, and the OCD may require me to demonstrate the well's mechanical integrity prior to approving that transfer. See 19.15.26.15 NMAC.

I am responsible for providing the OCD with my current address of record and emergency contact information, and I am responsible for updating that information when it changes. See Subsection C of 19.15.9.8 NMAC. I understand that I

can update that information on the OCD's website under "Electronic Permitting."

10. Initials ______ If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See Subsection B of 19.15.9.9 NMAC. I remain responsible for the wells and related facilities and all related regulatory fillings until the OCD approves the operator change. I understand that the transfer will not relieve me of responsibility or liability for any act or omission which occurred while I operated the wells and related facilities.

11. Initials No person with an interest exceeding 25% in the undersigned company is, or was within the last 5 years, an officer director, partner or person with a 25% or greater interest in another entity that is not currently in compliance with

Subsection A of 19.15.5.9 NMAC.

12. Initials NMOCD Rule Subsection E and F of 19.15.16.8 NMAC: An operator shall have 90 days from the effective date of an exercitor name change to change the operator name on the well sign unless the division grants an extension time, for good cause shown, along with a schedule for making the changes. Each sign shall show the (1) well number, (2) property name, (3) operator's name, (4) location by footage, quarter-quarter section, township and range (or unit letter can be substituted for the quarter-quarter section), and (5) API number.

C-145

2025 1:43:08 PM 1/7/2025 1:20 p.m.

Previous Operator

Phone:

Signature:

Printed

Name:

Title:

Date:

I hereby certify I understand the above. The statements I have made are true and correct and a condition precedent to the Oil Conservation Division accepting this Change of Operator.

New Operator

Signature:

Printed Name:

Title:

Date:

Phone:

Permit 380818

NMOCD Approval

Electronic Signature(s): Rob Jackson, District 2

January 07, 2025 Date:

Page 21 of 34
Page 4 of 4

Sante Fe Main Office Phone: (505) 476-3441 General Information

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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

Wells Selected for Transfer

Permit 380818

1 Well Selected for Transfer

From:		OGRID:	
	WILDCAT ENERGY LLC		209564
To:		OGRID:	
	American Energy Resources LLC		372991

OCD District: Artesia (1 Well selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
336641	SAIK #001	Р	B-17-22S-27E	В	30-015-20971			G

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

¹ API Number 30-015-20971	² Pool Code	³ Pool Na	
50-015-20971	74160	Carlsbad; Wolfcai	np Last (Gas)
⁴ Property Code	⁵ Pr	operty Name	⁶ Well Number
18292	S	SAIK	#001
⁷ OGRID No.		erator Name	⁹ Elevation
372991	American Ene	ergy Resources LLC	3122' GR

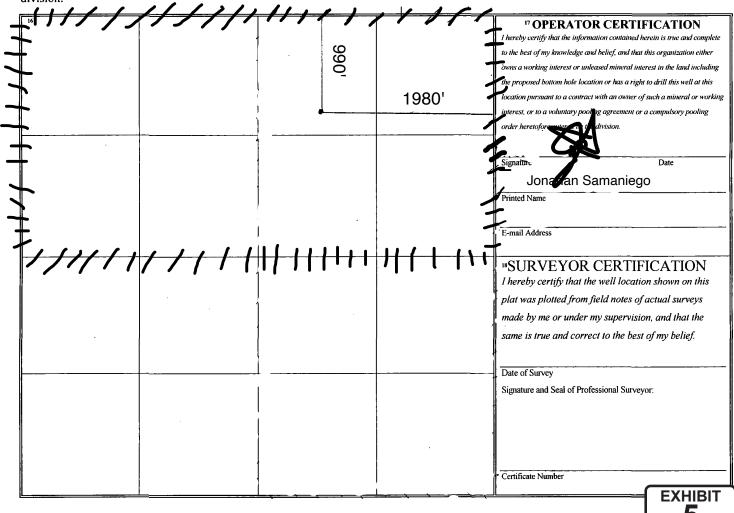
¹⁰ Surface Location

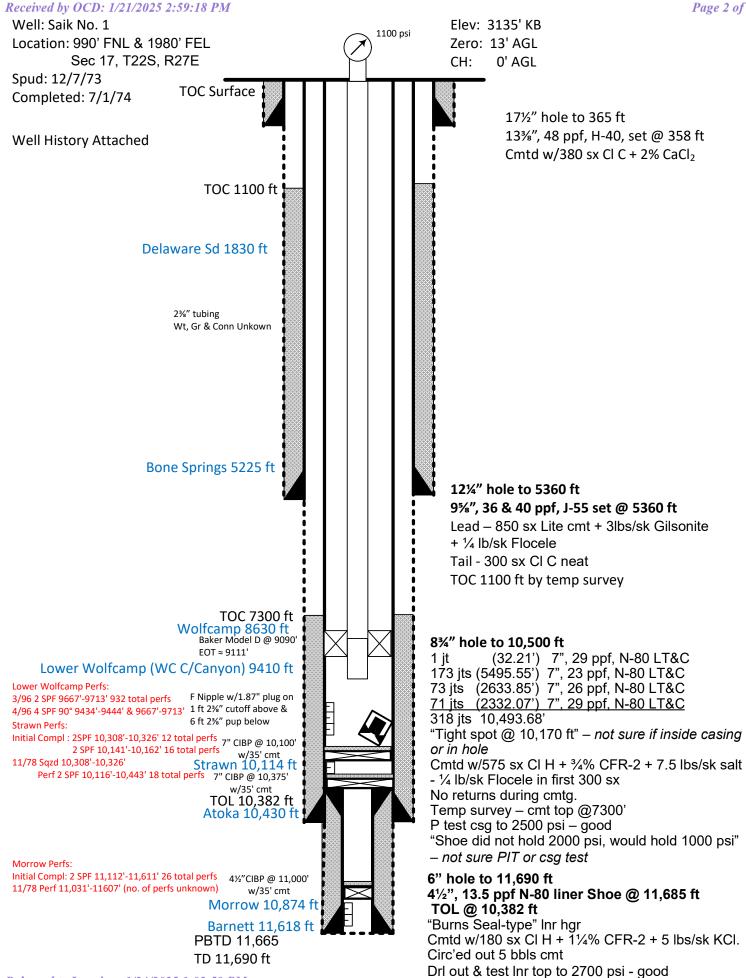
UL	or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	В	17	22S	27E		990	N	1980	Ε	EDDY

¹¹ 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
В	17	22S	27E		990	N	1980	E	EDDY
12 Dedicated Acres	13 Joint or	Infill 14 C	Consolidation (Code 15 Oro	ler No.				
320	į								

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.





SAIK #1

API-30-015-20971

B-17-22S-27E 990 FNL 1980 FEL

LAT/LONG- 32.3971138,-104.2098923 NAD83

ELEV-3122

- 1. Move in and rig up well test equipment.
- 2. Rig up valve greasing unit.
- 3. Grease valves and perform function test on valves. If ok go to step 4.
- 4. Check/record tubing annulus pressure.
- 5. Test casing annulus to 500 psi for 30 minutes. Record same on chart.
- 6. Move in and rig up wireline unit.
- 7. Run TDT log to evaluate recompletion in Bone Spring/ Upper Wolfcamp.
- 8. Shut well in. Evaluate log.
- 9. Recompletion sundry to follow after log evaluation.

Santa Fe Main Office State of New Mexico Form C-103 Phone: (505) 476-3441 Fax: (55) 476-3462 Revised July 18, 2013 Energy, Minerals and Natural Resources General Information WELL API NO. Phone: (505) 629-6116 30-015-20971 OIL CONSERVATION DIVISION Online Phone Directory Visit: 5. Indicate Type of Lease https://www.emnrd.nm.gov/ocd/contact-us/ 1220 South St. Francis Dr. STATE FEE X Santa Fe, NM 87505 6. State Oil & Gas Lease No. SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A SAIK DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 8. Well Number 1. Type of Well: Oil Well □ #001 Gas Well X Other 9. OGRID Number 2. Name of Operator AMERICAN ENERGY RESOURCES LLC 372991 3. Address of Operator 10. Pool name or Wildcat P.O.Box 114 Hagerman, NM 88232 CARLSBAD WOLFCAMP, EAST 4. Well Location Unit Letter B 990 feet from the N line and 1980 feet from the line **NMPM** Section 17 Township 22S Range 27E County EDDY 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING □ X TEMPORARILY ABANDON **CHANGE PLANS** COMMENCE DRILLING OPNS.□ P AND A PULL OR ALTER CASING MULTIPLE COMPL CASING/CEMENT JOB DOWNHOLE COMMINGLE **CLOSED-LOOP SYSTEM** П OTHER: 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. See attached work program and wellbore diagram. Rig Release Date: Spud Date: I hereby certify that the information above is true and complete to the best of my knowledge and belief. **SIGNATURE** TITLE Representative DATE 1/13/2025

E-mail address:

energy.jrs@gmail.com

PHONE: (575)499-7330

Type or print name Jonathan Samaniego Released to Imaging: 1/24/2025 1:02:59 PM

Released to Imaging: 2/26/2025 3:37:59 PM

Received	by O	CD: 2	/26/202	5 2:35:2	28 <i>PM</i>
Receiv For	ed by State	OCD:	1/21/20 hly	025 2:59	:18 PM

Page 26 of 34
Page 5 of 6

APPROVED BY:	TITLE	DATE
Conditions of Approval (if any):		

Sante Fe Main Office Phone: (505) 476-3441 General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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

CONDITIONS

Action 423058

CONDITIONS

Operator:	OGRID:
American Energy Resources LLC	372991
P.O. BOX 114	Action Number:
Hagerman, NM 88232	423058
	Action Type:
	[C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	In the future, submit sundries like this one as a [C-103] NOI Workover (C-103G).	1/24/2025
dmcclure	All conducted logs shall be submitted to the Division as a [UF-WL] EP Well Log Submission (WellLog).	1/24/2025
dmcclure	Approval is granted to evaluate the well, but approval of this sundry does NOT grant approval to conduct recompletion or remedial actions.	1/24/2025

FIFTH JUDICIAL DISTRICT COURT **COUNTY OF EDDY** STATE OF NEW MEXICO

FILED 5th JUDICIAL DISTRICT COURT **Eddy County** 10/21/2024 11:56 AM MARTHA HUEREQUE CLERK OF THE COURT Gwyneth Gadbury

CERTIFIED COPY

Wildcat Energy, L.L.C., Plaintiff,)
vs.)) No. D-503-CV-2024-00876
Jonathan Samaniego and American Energy Resources, LLC Defendant.)

PLAINTIFF'S NOTICE OF LIS PENDENS

Martin, Dugan & Martin Adam M. Overstreet Kenneth D. Dugan 509 W. Pierce St. P.O. Box 2168 Carlsbad, NM 88221-2168 (575) 887-3528 Fax (575) 887-2136 e-mail: kdugan@lawmdm.com

> Reception: 2413092 Book: 1188 Page: 0456 Pages: 20 Recorded: 10/21/2024 04:04 PM Fee: \$25.00 Colin Eddy County, New Mexico ~ Cara Cooke, County Clerk



EXHIBIT

MARTIN DUGAN & MARTIN SAME DAY

1

COMES NOW, Wildcat Energy, L.L.C., and pursuant to NMSA §38-1-14 gives notice that on the 21st day of October, 2024, it filed its Original Complaint against Jonathan Samaniego and American Energy **Resources, LLC, in the above-refenced matter:**

- 1. The purpose of this suit is to obtain judgment for debt and money due, rescission of the deeds at issue, and quieting title forever in the Property in favor of Plaintiff Wildcat Energy, L.L.C..
- 2. The real property at issue is Section 7: Lot 1, Insofar and only insofar as said Lot 1 covers operating rights from the surface down to a Depth of 1,452 feet and below 11,600 feet, T20S-R29E NMPM, consisting of the Superior-Fed KJ Com #1 and associated mineral rights (the "Superior Well"). See attached Exhibit 2 to the attached Exhibit A for a complete description.
- 3. A copy of the filed complaint is attached hereto as Exhibit A and incorporated by reference. The Complaint sets forth (i) the names of the parties to this action; (ii) description of the property, real and personal, affected by this action, and (iii) the interests of the parties.
- 4. The entire world is hereby put on notice of Plaintiff's claims to the Superior Well.
- Pursuant to NMRA §38-1-14, this Notice of Lis Pendens need not be acknowledged to entitle it to be recorded.

Martin, Dugan & Martin

By:

I HEREBY CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF THE ORIGINAL FILED

HAND AND SEAL

Adam M. Overstreet Kenneth D. Dugan 509 W. Pierce St. P.O. Box 2168

Carlsbad, NM 88221-2168

(575) 887-3528 Fax (575) 887-2136

e-mail: aoverstreet@lawmdm.com

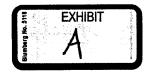
FIFTH JUDICIAL DISTRICT COURT COUNTY OF EDDY STATE OF NEW MEXICO

FILED
5th JUDICIAL DISTRICT COURT
Eddy County
10/21/2024 11:38 AM
MARTHA HUEREQUE
CLERK OF THE COURT
Gwyneth Gadbury

Wildcat Energy, L.L.C., Plaintiff,))
vs.) No. D-503-CV-2024-00876
Jonathan Samaniego and American Energy Resources, LLC Defendants.	Case assigned to Shuler-Gray, Jane

PLAINTIFF'S ORIGINAL COMPLAINT FOR DAMAGES, RESCISSION, DECLARATORY JUDGMENT, QUIET TITLE AND EJECTMENT

Martin, Dugan & Martin Adam M. Overstreet Kenneth D. Dugan 509 W. Pierce St. P.O. Box 2168 Carlsbad, NM 88221-2168 (575) 887-3528 Fax (575) 887-2136 e-mail: kdugan@lawmdm.com



COMES NOW, Wildcat Energy, L.L.C., by and through her counsel, and files her Original Complaint against Jonathan Samaniego and American Energy Resources, LLC, and states:

I. SUMMARY OF COMPLAINT

 This action is to recover an ownership interest in an oil and gas well and lease in Eddy County, New Mexico, that Defendants stole from Plaintiff.

II. PARTIES, JURISDICTION AND VENUE

- Plaintiff Wildcat Energy LLC ("Plaintiff" or "Wildcat") is a Texas limited liability company with an address of PO Box 13323 Odessa, Texas, 79768-3323.
- Defendant Jonathan Samaniego ("Samaniego") is an individual resident of Eddy County and may be served with process at 511 Leavel Drive, Carlsbad, New Mexico or at the residence at 294 Des Moines Road, Hagerman, New Mexico, or wherever he may be found.
- 4. Defendant American Energy Resources, LLC ("American Energy") is a New Mexico limited liability company with its primary place of business in Eddy County, New Mexico. American Energy may be served with process at its mailing address, P.O. Box 425 Loving, New Mexico, 88256, at its principal place of business, 3103 National Parks Highway, Carlsbad, NM 88220, or through its registered agent, Jonathan Samaniego, 511 Leavel Drive, Carlsbad New Mexico, 88220, or wherever he may be found. Defendant Samaniego is the managing member and an owner of Defendant American Energy.
- Defendant Samaniego performed his wrongful conduct at issue herein as an agent, manager and/or representative of Defendant American Energy Resources, LLC.
- 6. This Court has personal and subject matter jurisdiction over this matter because Defendants reside in Eddy County, New Mexico, because Defendants regularly engage in business in Eddy County, the real property at issue is in Eddy County, New Mexico, and/or the causes of action arise out of conduct in Eddy County, New Mexico.
- 7. Venue is proper in Eddy County, New Mexico, pursuant to NMSA 1978 § 38-3-1 because:

- a. Defendants are residents of Eddy County, New Mexico;
- b. The causes of action and/or occurrences at issue originated in Eddy County; and/or
- c. The lands or an interest in lands are the object of this suit in whole or in part, and such lands are situated in Eddy County, New Mexico.

III. FACTUAL BACKGROUND

- 8. Plaintiff files this lawsuit because it was swindled out of property by Jonathan Samaniego.
- 9. In fact, Jonathan Samaniego has swindled many other people and entities out of their property.
- 10. In 2018, Wildcat became one of the many victims of Jonathan Samaniego.
- The property at issue in this lawsuit is the Superior-Fed KJ Com #1 (the "Superior Well") located in Eddy County, Section 7, Township 20S, Range 29E.
- 12. The legal description of the Superior Well is Section 7: Lot 1, Insofar and only insofar as said Lot 1 covers operating rights from the surface down to a Depth of 1,452 feet and below 11,600 feet. T20S-R29E NMPM. Section 6: Lots 6 & 7, E/2 SW/4, SE/4. Section 7: NE/4 NW/4 (See Exhibit 2).
- 13. Defendant Samaniego contacted Plaintiff in early 2018 about acquiring three non-producing wells in Eddy County from Plaintiff: The Rio Penasco KD #3 (the "Rio Penasco Well"); the Henry 2 Well and the SAIK Well.1
- 14. Plaintiff and Defendants agreed Plaintiff would transfer Defendants those three wells in Eddy County.
- 15. The agreement was for the transfer of *only* those three wells in Eddy County.
- 16. Plaintiff executed three separate conveyance documents for those three wells: Three wells and three separate agreements.
- 17. Plaintiff (through President Roger Becker) executed the Assignment, Bill of Sale, and Conveyance (the "Assignment") on November 26, 2018 transferring the Rio Penasco Well.
- 18. Attached as Exhibit 1 hereto is the Assignment transferring the Rio Penasco Well.

¹ The agreement included another well in Lea County that Plaintiff also transferred by separate agreement.

- 19. The Assignment states Plaintiff transfers all property and interests in "Exhibit A."
- 20. When Plaintiff executed the Assignment, the document was only four pages long and contained only one page marked Exhibit "A."
- 21. When Plaintiff executed the Assignment, Exhibit A only included the Rio Penasco Well.
- 22. Defendants subsequently added an additional Exhibit "A" -- a fifth page -- to the Assignment and recorded it on December 17, 2018.
- 23. The fifth page of the Assignment the mysterious extra Exhibit A is attached hereto as Exhibit 2.
- 24. The fifth page of the Assignment purports to provide the Superior Well is part of Exhibit A and thus part of the Plaintiff's conveyance.
- 25. The fifth page of the Assignment was fraudulently added by the Defendants after Plaintiff signed and executed the document.
- 26. Alternatively, Plaintiff certainly did not intend to sign and convey a deed to Defendants conveying them the Superior Well or any interests in the Superior Well.
- 27. Plaintiff agreed to transfer to Defendants the Rio Penasco Well.
- Defendants provided no consideration to Plaintiff at all, and certainly no consideration for the Superior
 Well.
- 29. Plaintiff did not intent to and would not have conveyed to Defendants the Superior Well.
- 30. The Superior Well is worth over \$200,000.00.
- 31. Defendant Samaniego is the president and owner of Defendant American Energy Resources, LLC.
- Defendant Samaniego is the alter ego of Defendant American Energy.
- 33. Defendants now claim they own the Superior Well.
- 34. Defendants never provided any (or sufficient) consideration for the Superior Well.
- 35. Defendants simply swindled Plaintiff out of its property, through slight-of-hand, forgery and/or fraud.
- 36. Plaintiff did not discover the wrongs alleged herein until this year, 2024.

37. Plaintiff brings this suit to recover its property, to quiet title in the property, and to procure all of Plaintiff's actual damages, as well as punitive damages and restitution of all ill-gotten gain.

IV. CAUSES OF ACTION

Count One: Conversion, Forgery, Mistake, Failure of Acknowledgement and Rescission

- 38. Plaintiff incorporates the above and below paragraphs.
- 39. Plaintiff pleads conversion, forgery, mistake, and/or failure of acknowledgement.
- 40. Plaintiff did not agree to sell the Superior Well, or any portion of the Superior Well, to Defendants for any price.
- 41. Plaintiff certainly did not agree to sell Defendant Samaniego the Superior Well worth over \$200,000.00 for no monetary compensation.
- 42. Plaintiff contends the Assignment including the fifth page is a forgery and it was not signed with the fifth page added.
- 43. To the extent the Assignment contained the fifth page, it was the result of trickery, artifice and fraud, and was not knowingly and willingly signed by Plaintiff.
- 44. Plaintiff has a superior possessory interest in the Superior Well.
- 45. Defendants intentionally interfered with Plaintiff's possession and ownership and/or converted the Superior Well.
- 46. Defendants are liable to Plaintiff for actual damages resulting from the improper forgery and/or conversion of the Superior Well.
- 47. Defendants and/or their agents' actions and omissions were intentional, wanton, willful, malicious, and/or reckless in their actions.