

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

APPLICATION OF MRC PERMIAN COMPANY  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO

CASE NO. 25247,25248,25250,25252,25253,25254

MOTION TO STRIKE

American Energy Resources LLC (American) hereby submits this motion to strike  
MRC Permian Company and their application from proceeding and from the record for not  
having standing or merit to pool and drill with MRC current well violations:

1. MRC is the designated operator of the below wells in violation:

30-015-23099	Guitar 10 24 28 RB #001
30-025-26427	Hat Mesa #001
30-025-29981	Caviness 10 Federal #003
30-025-42276	Cuatro Hijos Fee #003H
30-015-20200	Eddy BD State #001
30-025-26898	Federal HM 13 #001
30-025-47861	Gavilon Federal Com #604Y
30-015-25778	Hale 11 Federal #001
30-015-22960	Hannifan Federal #002
30-005-61212	Seymour State Com #001
30-025-44105	Azalea 26 36 28 State #121
30-025-46291	Dagger Lake 5 State Com #507H
30-025-46292	Dagger Lake 5 State Com #605H
30-025-46293	Dagger Lake 5 State Com #607H
30-025-46437	Dagger Lake 5 State Com #803H
30-015-48645	George 14 15 24S 28E #114H

30-025-44896 Merchant State Unit #506H

30-025-46699 Merchant State Unit #604H

30-015-42086 Paradise Fee #001

2. MRC currently has 19 wells in violation with State law, NMAC, NMAS, and the Oil and Gas Act.
3. MRC currently has 9 well in Expired Temporary Abandonment status of its 19 wells in violation.
4. MRC has a total well count of 1,089 wells, 19 of which are currently in violation with OCD rules and State law if the operator has no more than the following number of wells out of compliance. See id. 19.15.25.8 NMAC. MRC as operator is out of compliance by having over 10 wells in violations while the operator operates over 1000 wells; MRC operates a total of 1,089 wells, with 19 wells; consequently, out of compliance with OCD rules and State laws. See id. 19.15.25.8 NMAC. See id. Under 19.15.5.9 A(4)(d) NMAC,
5. MRC 19 wells are out of compliance with State Law, NMAC, NMAS, and the Oil and Gas Act, and MRC has made no good faith efforts to get in compliance with its 19 wells in current violation.

## CONCLUSION

MRC is operating in violation with State law, NMAC, NMAS, and the Oil and Gas Act and has made no good faith efforts to resolve its 19 wells that are in current violation.

MRC has only attempted to use its resources to permit and drill more wells regardless of its 19 wells in current violation.

MRC has made no good faith efforts to resolve its 9 Expired Temporary Abandonment wells.

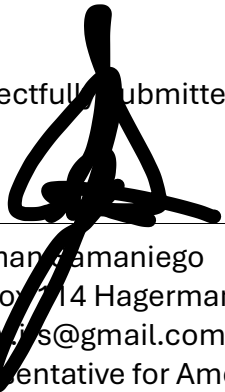
MRC has almost twice the legal limit allowed by State Law, NMAC, NMAS, and the Oil and Gas Act for inactive wells and under 19.15.4.8 (A) NMAC, application may be dismissed upon showing applicant does not have standing.

Therefore, MRC Permian Company, application comes with unclean hands and in fact MRC has made no good faith efforts, and no good faith attempts to get in compliance with State law, NMAC, NMAS, and the Oil and Gas Act and under statute NMAC 19.15.14.10 A Denial of applicant if not in compliance with 19.15.5.9;

Furthermore, American Energy Resources LLC has four permitted wells American #001, 002, 003, 004 planned to be drilled on these lands that MRC is seeking to pool and would be an encroachment on American existing planned wells, leases, and spacing unit.

Conclusion: based on the foregoing reasons, American respectfully requests that MRC Application and request for hearing before the Division be DENIED.

Respectfully submitted,



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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 May 4, 2025:

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