

## Exhibit D

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

APPLICATION OF AMERICAN ENERGY RESOURCES,  
LLC, REQUESTING THE OIL CONSERVATION  
DIVISION TO ISSUE AN ORDER REQUIRING  
ALPHA ENERGY PARTNERS II LLC TO BRING  
THE COLINIA A COM #001 WELL (API No. 30-015-21593)  
AND TRACY B COM #001 WELL (API No. 30-015-21416)  
AND KODIAK #002 WELL (API: 30-015-33962)  
INTO COMPLIANCE WITH RULE 19.15.8.9 NMAC  
AND 19.15.5.9 NMAC AND 19.15.25.8 NMAC,  
EDDY COUNTY, NEW MEXICO

### APPLICATION

CASE No. \_\_\_\_\_

American Energy Resources LLC, ("American"), submits this Application to the Oil Conservation Division ("Division" or "OCD") for an Order staying any and all efforts of Alpha Energy Partners II LLC ("Alpha") to drill, permit, compulsory pool, develop, assign, farmout, transport, submit, reenter, recompleat and/or produce the Colonia A Com #001 Well (API No. 30-015-21593) (the "Colonia A Well") and the Tracy B Com #001 Well (API:30-015-21416) (the "Tracy B Well") and the Kodiak #002 Well (API: 30-015-33962) (the "Kodiak Well") and directing Alpha to bring the Colonia A, Tracy B, and Kodiak Wells into compliance with NMAC 19.15.5.9 and NMAC 19.15.8.9 and NMAC 19.15.25.8. In support of its Application, American states the following:

1. Alpha is the NMOCD designated Operator of the Kodiak #002 Well that is located in the SW/4SE/4 (Lot O) of the S2 of Section 17, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico; and the Colonia A Com #001 Well that is located in the NE/4SW/4 (Lot K) of the E2 of Section 18, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico; and the Tracy B Com #001 Well that is located in the NE/4SE/4 (Lot I) of the W2 of Section 18, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico.

2. Alpha has made no good faith efforts to provide adequate financial assurances 19.15.8.9 and get its wells in compliance with the State law 19.15.25.8 and 19.15.5.9.

3. The Division's records indicate zero production from the Colonia A, Tracy B, and Kodiak Wells and no reports for production have been submitted to the OCD from Colonia A since 3/2023, Tracy B since 7/2022, and Kodiak since 2/2014 up to the present. See OCD Production Information attached hereto as

See (Exhibit 1a, 1b, 1c).

4. The Colonia A Well has been non-productive since March 2023, and it is currently listed on the OCD's Inactive Well List as of March 31, 2025.

The Tracy B Com has been non-productive since July 2022, and it is currently listed on the OCD's Inactive Well List as of March 31, 2025.

The Kodiak well has been non-productive since February 2014, and it is currently listed on the OCD's Inactive Well List as of March 31, 2025.

See Inactive Well List for Alpha attached hereto as (Exhibit 2)

5. Furthermore, Alpha has a total well count of four (4) wells, three (3) wells of which are currently listed as inactive. See under 19.15.5.9 A(4)(a) 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." Alpha operates a total of four (4) wells with three (3) wells, listed as inactive; consequently, Alpha is out of compliance with the Oil and Gas Act, OCD rules, and State law.

6. 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 has been continuously inactive."

19.15.25.8B(3) NMAC.

7. The Division recognized the need for the Operator of the Tracy B Com #001 to plug and abandon ("P&A") the well in 2023 when Tap Rock Operating LLC was the OCD-recognized Operator of the well and recognized the well was no longer able to produce profitably. See plugging plan submittal dated September 26, 2023, and,

attached hereto as (Exhibit 3a),

The Division recognized the need for the Operator of the Colonia A Com #001 to plug and abandon ("P&A") the well in 2023 when Tap Rock Operating LLC was the OCD-recognized Operator of the well and recognized the well was no longer able to produce profitably. See plugging plan submittal dated September 26, 2023, and, attached hereto as (Exhibit 3b)

The Division recognized the need for the Operator of the Kodiak #002 to plug and abandon ("P&A") the well in 2023 when Tap Rock Operating LLC was the OCD-recognized Operator of the well and

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recognized the well was no longer able to produce profitably. See plugging plan submittal dated September 26, 2023,

attached hereto as (Exhibit 3c).

8. Moreover, Alpha does not own any working interest in the Colonia A, Tracy B, Kodiak, or the American Saik unit. See Paragraph 14-16, below, for review of the manner by which the Division should address Alpha lack of ownership given the Division's jurisdictional restriction from adjudicating ownership.

Lease holder of the Colonia A Com #001 is: Oxy

Lease holder of the Tracy B Com #001 is: Oxy

Lease holder of the Kodiak #002 is: Mewbourne

Lease Holder of the Saik #001 is: American

See Oxy and Mewbourne wellbore assignments to Taprock of the Colonia A, Tracy B, Kodiak wellbores, which were then assigned to Alpha, see (Exhibits 4a, 4b, 4c)

9. In spite of its lack of ownership in the Colonia A, Tracy B, Kodiak, Alpha filed a Form C-145 with the Division requesting a Change of Operator from Tap Rock Operating LLC ("Tap Rock") to Alpha as the new operator, in which Alpha assumed all liabilities and consequences associated with the non-producing wells in which Alpha has no ownership. See Alpha Change of Operator, attached hereto as Exhibit 5a, 5b, 5c. In its Change of Operator, Alpha 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.

10. Without ownership in the Colonia A, Tracy B, Kodiak and given the current inactive status and its years of non-production for the Colonia A, Tracy B, and Kodiak Wells Alpha does not have any basis or right to drill, permit, compulsory pool, assign, farmout, submit, reenter, recomplete, or attempt to produce from the mentioned wells or lands, which was earmarked for plugging by the Division in 2023, and Alpha was and still is currently in violations with Oil and Gas Act, OCD rules, and State Law.

See (Exhibit 2a, 2b, 2c and 3a, 3b, 3c)

11. Nonetheless, Alpha falsely perpetuates its claim with the Division that the nonproducing Colonia A, Tracy B, Kodiak Wells is suitable for drilling, permit, compulsory pooling, farmout, assign, submit, reenter, recomplete, produce instead of being plugged.

See (Exhibits 3a,3b, 3b).

12. Without Alpha owning working interest, and Alpha only owning wellbores, Alpha does not have the right to drill, permit, compulsory pool, farmout, assign, submit, recomplate, re-entry of said wells and lands, of the Colonia A, Tracy B, Kodiak wells and lands and American Saik unit wells and lands, Alpha lacking ownership interests in the mention units to attempt to drill, permit, compulsory pool, reenter, submit, recomplate and produce its Wells would be a trespass on the rights of the current leasehold owners, which include Oxy, Mewbourne, and American but which does not include Alpha, and conversion of their production.

See (Exhibits 4a, 4b, 4c).

13. In sum, by Alpha filing a Change of Operator with the Division and acquiring the rights to the Colonia A, Tracy B, Kodiak Wells, Alpha 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.

14. The Division has the authority to address Alpha's non-compliance while remaining within its jurisdictional boundaries regarding the adjudication of ownership. Alpha claims it owns working interest in the Colonia A, Tracy B, Kodiak, and the American Saik Well, thereby claiming it has a basis for drilling, permit, compulsory pooling, farmout, reenter, submit, recompleting and producing the Wells and lands. Countering Alpha's claim, American shows that Alpha does not own working interest in any of the units. Consequently, there exists a dispute over title, which is outside the OCD's jurisdiction. However, if American is correct, as shown by recorded documents recorded at the Eddy County Clerks Office, that Alpha does not own working interest in the Colonia A, Tracy B, Kodiak, and the American Saik unit, and Alpha is allowed to compulsory pool, permit, recomplate, submit, and drill the units, lands, and leases of the Colonia A, Tracy B, Kodiak, and the American Saik unit then Alpha's production would be a violation of the Oil and Gas Act, OCD rules, and State law by (1) trespassing on the existing leasehold interests owned by other parties, and (2) converting other owners' hydrocarbons for Alpha's own profit.

15. Although the Division does not have jurisdiction to adjudicate a title dispute between American and Alpha, this does not mean that the Division lacks the authority to prevent Alpha from drilling, permitting, compulsory pooling, farmout, reenter, submit, recompleting and producing of the Colonia A, Tracy B, and Kodiak wells at the present time. If the Division authorizes Alpha to drill, permit, compulsory pool, farmout, reenter, submit, recomplate and produce then the Division risks authorizing an operator to commit trespass of leasehold rights and the taking of production without compensation through conversion. The Division cannot use its state police powers to authorize or facilitate a wrongful taking of hydrocarbons. *Manning v. N.M. Energy, Minerals & Natural Res. Dept.*, 2006 NMSC-027, ¶ 44-47, 144 P.3d. 87, 97-98.

Therefore, American respectfully submits that the proper procedure under the circumstances would be for the Division to stay any efforts by Alpha to drill, permit, compulsory pool, reenter,

farmout, recomplete, re-entry, submit, assign, and/or produce, or any other submittal or filing on the wells, more specifically from the Colonia A, Tracy B, Kodiak wells, until Alpha seeks and obtains a determination from a court of proper jurisdiction showing that it owns the prerequisite working interest to produce, drill, permit, compulsory pool, recomplete, re-entry the Colonia A, Tracy B, Kodiak wells. The issuance of the stay will ensure that the Division does not use its state powers to authorize and facilitate trespass, conversion, and wrongful taking of hydrocarbons.

16. Furthermore, the issuance of the stay is within the Division's jurisdiction and would allow the Division to avoid the adjudication of ownership and property rights. If Alpha cannot demonstrate to the Division through a court order that it owns working interest, then the Division should plug the Colonia A, Tracy B, Kodiak Wells as requested herein. As part of the proceedings in this case, American will submit a formal motion to stay any and all efforts by Alpha to drill, permit, compulsory pool, reenter, submit, assign, recomplete, farmout, and/or produce the Colonia A, Tracy B, Kodiak Wells until Alpha seeks and obtains a court order showing it owns working interest in the Colonia A, Tracy B, Kodiak units.

WHEREFORE, American requests that this Application be set for hearing on May 8, 2025,

before the Division of the Oil Conservation Commission, and after notice and hearing as required by law, the Division enter an order:

A) Finding that: (1) the Colonia A, Tracy B, Kodiak Wells has been non-productive since March 2023, July 2022, and February 2014.

2) Alpha has made no good faith efforts to get in compliance with the Oil and Gas Act, OCD rules, and State law.

3) Alpha does not have adequate financial assurances to operate under the Oil and Gas Act, OCD rules, and State Law.

4) Alpha has a total well count of four (4) wells, three (3) wells of which are currently listed as inactive;

B. Finding that, based on Paragraph A, Alpha is in violation of:

(1) 19.15.8.9 (regarding financial assurances); and (2) 19.15.5.9 NMAC (compliance); and (3) 19.15.25.8 NMAC (regarding the need to P&A the Colonia A, Tracy B, Kodiak Wells); and (4) Alpha bad faith efforts.

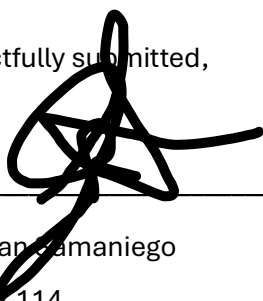
C. Staying any and all efforts and activities by Alpha or its affiliates, subsidiaries, farmout, or agreements and any and all applications filed by Alpha to drill, permit, compulsory pool, re-enter, re-complete, and/or produce the Colonia A, Tracy B, Kodiak Wells until Alpha obtains an order from a court of proper jurisdiction showing it owns working interest in the Colonia A, Tracy B, Kodiak wells. If Alpha is not able to provide proof of ownership from a court of proper jurisdiction, then directing Alpha to plug and abandon the Colonia A, Tracy B, Kodiak, and Merland A Wells, and until

Alpha gets in compliance with the Oil and Gas Act, NMOCD rules, and State Law 19.15.5.9; 19.15.8.9; 19.15.25.8 NMAC.

Furthermore, if Alpha possibly may own an interest in the units of the Colonia A, Tracy B, Kodiak, or American Saik unit, then that ownership in which Alpha holds would be dedicated to the already existing units of the Colonia A, Tracy B, Kodiak and American Saik unit and would require Alpha sending notifications and obtaining authorized approval from Mewbourne, Oxy, and American who are in fact the lease holders of the mentioned units, to drill, permit, compulsory pool, and recomplete in existing units as required under 19.15.16.15 B(9)(A), 19.15.16.15 B(9)(b)(i), 19.15.16.15 B(9)(b)(ii).

Furthermore, Alpha has no rights to develop, compulsory pool, drill, assign, permit, reenter, submit, recomplete, farmout, produce from the American Saik unit and in fact Alpha is only a wellbore owner of Colonia A, Tracy B, Kodiak wells and has no rights to drill, permit, compulsory pool, recomplete, reenter, assign, farmout, submit, produce, or develop the leases, units, lands and, further, Alpha failed to send notifications to affected parties in their bad faith attempted efforts. 19.15.4.12 A(1)(a)

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jonathan Zamaniego', is written over a horizontal line.

Jonathan Zamaniego

P.O. Box 114

Hagerman, NM 88232

Representative for American Energy Resources LLC

Application of American Energy Resources LLC, Requesting the Oil Conservation Division to Issue an Order Requiring Alpha Energy Partners II, LLC to bring the Colonia A Com #001 (API: 30-015-21593), Tracy B Com #001 (API: 30-015-21416), and the Kodiak #002 (API: 30-015-33962) Wells into Compliance with Rule 19.15.8.9 D, 19.15.5.9, and 19.15.25.8 NMAC, Eddy County, New Mexico.

Applicant in the above-styled cause seeks an order from the Division directing and requiring the designated operator of the Colonia A Com #001 Well (API No. 30-015-21593) ("Operator") to bring into compliance with 19.15.5.9; 19.15.8.9; and 19.15.25.8 NMAC the Colonia A Com #001 Well, located in the NE/4SW/4 (Unit K) of the W2 of Section 18, Township 22 South, Range 27 East, PMNM, Eddy County, New Mexico; and the Tracy B Com #001 Well (API No. 30-015-21416) ("Operator") to bring into compliance with 19.15.5.9; 19.15.8.9; and 19.15.25.8 NMAC the Tracy B Com #001 Well, located in the NE/4SE/4 (Unit I) of the E2 of Section 18, Township 22 South, Range 27 East, PMNM, Eddy County, New Mexico; and the Kodiak #002 Well (API No. 30-015-33962) ("Operator") to bring into compliance with 19.15.5.9; 19.15.8.9; and 19.15.25.8 NMAC the Kodiak #002 Well, located in the SW/4SE/4 (Unit O) of the S2 of Section 17, Township 22 South, Range 27 East, PMNM, Eddy County, New Mexico and staying any and all efforts and activities by Alpha and any and all applications filed by Alpha to drill, permit, compulsory pool, re-enter, re-complete, and/or produce the Colonia A, Tracy B, and Kodiak Wells until Alpha obtains an order from a court of proper jurisdiction showing it owns working interest in the spacing units and/or wellbores for the Colonia A, Tracy B, and Kodiak Wells. The well for the Colonia A Com #001 Well is in W2 of Section 18. The Colonia A Com #001 Well is located approximately 1.5 miles south-southeast from Carlsbad, New Mexico. The well for the Tracy B Com #001 Well is in the E2 of Section 18. The Tracy B Com #001 Well is located approximately 1.5 miles south-southeast from Carlsbad, New Mexico. The well for the Kodiak #002 Well is in the S2 of Section 17. The Kodiak #002 Well is located approximately 1.5 miles south-southeast from Carlsbad, New Mexico.