STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION COMMISSION

IN THE MATTER AND CONSIDERATION OF:

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

OCD CASE NO. 25166
OCC CASE NO. 25694
ORDER NO. 23961

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

OCD CASE NO. 25495
OCC CASE NO. 25696
ORDER NO. 23977

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

OCD CASE NO. 25496
OCC CASE NO. 25695
ORDER NO. 23989

RESPONSE TO ALPHA'S MOTION REQUESTING THE COMMISSION TO DETERMINE THAT AER'S REPRESENTATIONS OF PURPORTED SHUT-IN PAYMENTS WERE KNOWINGLY MADE IN BAD FAITH

American Energy Resources, LLC, ("American"), submits to the Oil Conservation Commission ("Commission" or "OCC") this Response to Alpha Motion ("Motion") requesting the Commission to find that the representations of the purported shut-in payments made by American Energy Resources, LLC ("American") in the above referenced cases ("Subject Cases") were valid representation knowingly made in Good faith, as a prudent operator. In support of its Motion, in the above-referenced cases now before the Commission ("Subject Cases").

In support of its Response, American provides the following:

I. Relevant Procedural History and Background:

1. At the Status Conference held before the Commission on November 13, 2025, the Commissioners heard the pleadings presented by American, in particular, American

Amended and Combined motions Motion to Strike, motion to moot and Response to Alpha Response to American Application for De Novo hearing and Emergency Motion to Stay Division Order Nos. R 23961, R-23989, and R-23977, but made no ruling to Dismiss Alpha claims as Moot in ("American Response"), in which American presented to the Commission as its Exhibit N2 Shut-in payment checks all dated February 28, 2025, and Publication in the Carlsbad Current Argus newspaper dated March 11, 18, and 25, 2025, adhering to the terms of the leases of American Saik Unit leases by which American has ownership.

2. At the conclusion of the status conference, the Commission remained undecided whether the motion to emergency stay should be granted, stating that the Commission did not have jurisdiction to determine title, and scheduled a subsequent status conference for December 17, 2025, to make a decision in granting the motion to Emergency Stay.

3. In its pleadings, Alpha and American acknowledged that ruling on the validity of title itself was outside the scope of the Commissions jurisdiction but respectfully submitted that the Commission could have the authority and jurisdiction to make a ruling if it can guarantee the following, if it can guarantee without the benefit of a doubt that all correlative rights will be protected in its ruling, and can guarantee that in its ruling it can make a clear and distinguishable separation in its attempt to make an attempt to evaluate disputed title, and can guarantee in its ruling a clear and distinguishable separation in its attempts to prevent waste in its decision, and can guarantee in its ruling that a party has taken necessary steps to make a "good faith" claim to title, and can guarantee in its ruling that the Commission can isolate and evaluate the "good faith" element of a party's claim as separate and distinct from evaluating the validity of the title itself, and can guarantee in its ruling that it will not violate correlative rights of the disputed title of the overlapping title dispute, and can guarantee in its ruling that it can determine whether a party has acted in good or bad faith in its representations, can guarantee in its ruling that it can determine whether a party representations or actions involve false representations to the Commission that would clearly show the absence of necessary due diligence with total disregard to the chain of title and/or representations that as any reasonable person can see disregards the meaning of the plain language of a specific terms in a lease and New Mexico law, and any such reasonable person decisions must correspond with New Mexico law and Federal law. The Division and Commission must proceed with caution in its attempt to determine whether a party acted in "good faith" in order to protect correlative rights in its determination on whether an action such as drafting

and dating check for shut-in payments and Publication in the Carlsbad Current Argus newspaper adhere in "good faith" to the plain meaning of provisions in a lease, without making a ruling on whether the lease itself is valid is impossible for they are overlapping in nature, therefore out of the jurisdiction of the Commission for it is not the appropriate venue of jurisdiction and to attempt to use such a tailer made decision in its attempt to force jurisdiction as its bases in its decision would be unjust, unethical, overreaching, and would be failing to adhere to the rules or Procedural law and its own State laws.

Any attempt to use the Division or Commission to do unjust acts would be violation of Federal law and a violation of due process rights under the fifth amendment. Manning v. Energy Minerals 2006 NMSC-027, ¶ 45-47, 144 P.3d 87 (showing that an administrative agency using its police powers to authorize a taking without compensation is UNCONSTITUTIONAL and subject to the TAKING CLAUSE).

4. American respectfully asks the Commission to determine whether the actions and representations Alpha made before the Commission, separate from a determination of the validity of title itself, were made in good faith, based on the following legal arguments.

II. The Commission should proceed with caution and assert its lack of jurisdiction to adjudicate title for it cannot guarantee its decision would in fact Protect Correlative Rights and Prevent Waste, for any attempt in any manner to adjudicate title dispute that are overlapping in nature and since both parties presented a dispute over whose title is Boni fide title and the Commission to use an attempt a tailer make a decision as its basis to establish a "Good Faith" Claim to Title, would be compromised and such a Bona Fide Title Dispute by either party must be heard in an appropriate venue of judication.

5. When parties in a contested pooling hearing present the Division or Commission with differing amounts of working interest in their ownership exhibits, it is the "responsibility" of each party to ensure that they are presenting a "good faith" claim to title. See, R-11700-B. A determination of whether this "responsibility" has been fulfilled is based on whether the parties have taken "good faith" steps to the best of their abilities that would safeguard the accuracy of their claims of ownership, such safeguards would include adhering to the customs and practices of the oil and gas industry that a prudent operator would be expected to follow, including a showing of due diligence in the review of the chain of title and the ability of an operator to show that it adhered to good-faith practices that provides the Commission with a presentation of the ownership, would be compromised and Evasion of the spirit of leases, for this duty falls on the compulsory pooling applicant

and not the effected party, in its attempt to tailor make a decision on the basis of good faith for its decision to dispute title without proper venue of jurisdiction, because any review of any evidence regarding title dispute, a "good faith" claim of ownership, is improper when the good faith elements are compromised when the nature of the deception or fraud indicate that actual and constructive notice of irregularities, as such that legally prevents the jurisdiction of the Commission to attempt to acknowledge whether a bona-fide title dispute exists which should be deferred to district court to make such ruling.

6. However, if a party presents evidence indicating that the opposing party did not make a "good-faith" claim of ownership, then it would be necessary, if handled with respect to not make any attempts to violate individual rights under New Mexico laws and Federal laws, would be necessary and proper, but for the Commission to attempt to retain jurisdiction to make a narrowly tailor made evaluation of whether such claim were made in good faith of an overlapping dispute to title must be taking with severe caution, and must refer such matter to an appropriate venue of jurisdiction as to the district courts for a ruling. The Commission does not thereby adjudicate title; it merely determines whether the parties satisfied their threshold responsibility to present ownership claims supported by good-faith diligence, and any attempt to tailor make an evaluation of good faith disguised as a resolution to an overlapping title dispute to ownership would be overreaching the boundaries of the Commissions jurisdiction over the matter regarding such title dispute. The Division and Commission should be able to conclude that they lack authority to tailor make an evaluation of a "good-faith" element disguised as their basis to make a ruling that mimics a claim to title.
For Alpha counsel to make such claims, that as a matter of law, the OCD/OCC would have to require every pooling or permitting applicant that is not grandfathered in with original leases of original units such as American Saik Unit and leases, to first obtain a district court determination that its ownership representation was made in good faith before submitting any ownership report at all, is Alpha counsel attempt to establish a setting of the compulsory pooling process being slowed down with an unrealistic number of matters reflecting its matter at hand, and is a façade at best to deter the Commission, Otherwise, every ownership calculation the OCD/OCC makes—including basic determinations of working-interest percentages—would be illegitimate, because the agency would lack jurisdiction even to assume that the parties' title representations were made in good faith absent a court order. Therefore, such a regime of district court would be able to allow the Commission to rely on any ownership exhibit submitted to it with guarantee, assuring the protection of correlative rights and prevention of waste in this matter.

7. Clearly, such a requirement would not be absurd and unmanageable. The Commission

would be able function without delay, because the pooling applicant regarding this matter being forced to obtain district-court confirmations of "good faith" is more appropriate than attempting to review ownership exhibits to attempt to tailor-make a makeshift determination to an overlapping title dispute before the Commission that lacks jurisdiction. Thus, the Commission's authority to evaluate the good-faith component to tailor-make a determination of a party's claim is "compromised", and "overreaching its duties"— especially where American presented evidence that its opponent Alpha made false representations and failed to satisfy basic due-diligence obligations necessary to establish a good-faith claim. When such evidence is presented, the Commission may determine, by a preponderance of the evidence, that a party acted in bad faith, thereby corrupting the administrative process. See, Paragraphs below, discussing the requirement that all administrative remedies—including the Commission's evaluation of the "good-faith" element—must be exhausted before the Commission can conclude that a bona-fide title dispute exists warranting referral to a district court.

III. Alpha made False representations in Bad Faith to the Commission by presenting and making frivolous statements about American publication in the Carlsbad Current Argus newspaper and checks dated February 28, 2025, Bell lease, Wheeler lease, which are all valid Evidence under procedural law and Adhere to the Terms of the leases.

8. In its Response, Alpha attempts to present to the Commission American checks for shut-in payments that were sent to the lessors of the leases ("American Saik Leases") by which Alpha purports that American has not made a good -faith claim of ownership too. The purpose of a shut-in payment is to perpetuate a lease after the subject well has ceased production, and in order be a good faith effort, the shut-in payment must comply with the plain language of the shut-in provision of the lease. The Saik Well showed no production from 2010 to 2024 under operator Wildcat. American as a prudent operator was forthwith in protecting its Saik leases and well by taking action in correcting such actions from continuing and has been produce testing its Saik well for all of 2025. See the production history of the Saik Well as Alpha Exhibit 1. All of American checks listed the original lessors and were dated February 28, 2025. Furthermore, the plain language of the shut-in provisions of American Leases had the same or similar language stating that any shut-in payment must be made on or before ninety (90) days after the date on which the well is shut-in, and since American obtained the well in January 7, 2025 and acting on a development plan, drilling, workover, and operations immediately January 24, 2025, sent out shut in payment checks February, 8, 2025, and Publication in the Carlsbad Current Argus newspaper March 11, 18, and 25, 2025, which all were with in the (90) days from the date of when American took over operations of the Saik Unit, as stated in the Bell lease

term #7 and Wheeler lease term #8, "that default in payment by one shall not effect the rights of other leasehold owners". **Wildcat default shall have no effect to American correlative rights to enjoy its Saik Unit leases as a prudent operator for its protected under the terms of the leases.**
See Exhibit A and B

9. However, the Saik Well showed non-producing of the well for more than a decade, as shown by the Division's records, prompting EMNRD to issue the NOV Letter to operator Wildcat in 2017 in which it determined that the Saik Well was a non-producing well in violation of statewide rules and demanded that the operator return the well to production, place it on temporary abandonment status, or plug the well, or on (#10) on the change of operator form allowed Wildcat a change of operator upon the Division approval, which the Division approved. Regardless, of operator Wildcat failing to respond to the NOV Letter, Wildcat located a prudent operator to take over operations, as American has done, as the Saik Well has remained an active well all of 2025, thereafter, since American obtained operations on January 7, 2025 and acting forthwith in numerous actions to protect its Saik Unit lease within the 90-day deadline it obtained operations allowed by the plain language of the shut-in provision and term #7 of the Bell lease and #8 of the Wheeler lease (See American Exhibits A & B) "that default payment by one shall not affect the rights of other leasehold owners", as stated in American Saik Leases.
(See Exhibit C)

10. In American Exhibit N2, American, presents a check to Emma Louise Bell, the original Lessor, representing to the Commission that this payment is a good-faith effort to comply with the shut-in provision of the lease. However the shut-in provision states: "Lessee may pay or tender as royalty, on or before ninety (90) days after the date on which said well is shut in and thereafter at annual intervals the sum of $1.00 per acre, and if such payment is made or tendered, this lease shall not terminate and it will be considered that gas is being produced from this lease in paying quantities." See the 1969 lease to Emma Bell attached hereto as Alpha Exhibit 2, is irrelevant to the matter, it is clear from the plain language of the provision in #7 of the lease that American checks were sent within the 90-day deadline from when American obtained operation on January 7, 2025, but Emma Louise Bell passed away on November 4, 2005, according to the Affidavit of Heirship, and by the own terms in the agreement signed by Emma Bell on the 1969 lease on #7; no change in division in such ownership shall be binding on lessee until (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidenced the same,... In the event of assignment hereof in whole or in part liability for breach of any obligation

hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach, ... if one or more parties become entitled to royalites, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all, which places Emma Bell ownership in dormancy period until American is furnished with such a recordable instrument.

11. By not adjudicating title itself, that is, not determining the validity of the lease itself, the Commission certainly does not have the authority and jurisdiction to review the plain language of the terms in the lease provision to determine whether the presentation of American check provides a good-faith effort to present evidence that corresponds with the terms and plain meaning of the provision. Though the Commission could have the authority and jurisdiction to review the good-faith efforts of a party to present its percentage of ownership in an ownership report exhibit in a contested hearing of a compulsory pooling applicant, or review a compulsory pooling applicants good-faith efforts to negotiate, or review a compulsory pooling applicants good-faith efforts to prudently operate a well, are all compromised for this matter is a title dispute and out of the jurisdiction of being heard as a contested compulsory pooling hearing or any hearing under the jurisdiction of Division or Commission. For Alphas counsels to attempt to sway the Commission with a single term of a shut-in payment, that clearly contradicts Bell lease terms #7, #8, and #10 and Wheeler lease terms #4, #8, and #9, in the same lease agreements, in plain language, for and as the Commission basis, to determine that American presentation of a check dated February 28, 2025, is a bad-faith effort to induce the Commission, is frivolous at best, for in the Bell lease on term #7) no change or division in such ownership shall be binding on lessee until 30 days after lessee shall have been furnished by registered U.S. mail at lessee's principal place of business with a certified copy of recorded instruments or instruments evidenced same, ... and in the event of assignment in whole or in part the liability for breach of any obligation hereunder shall rest exclusively upon the owner of the lease of a portion thereof who commits such breach, ... If one or more parties become entitled to hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument to receive payment.; and term #8) the breach by lessee of any obligations arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or revision of the estate created hereby nor be grounds for cancellation hereof in whole or in part, and In the event the Lessor considers that operations are not at any time being conducted in compliance with this lease, lessor shall notify lessee in writing of the facts relied upon as constituting a breach hereof, and lessee, if in default, shall have (30) days after receipt of such notice in which to commence the compliance with obligation imposed, and #10) Should lessee be prevented from complying with any express

or implied covenant of this lease, from conducting drilling and reworking operations thereof or from producing oil and gas thereof by reasons of scarcity of or inability to obtain or to use equipment or material or by operation of force majeure say federal or state law or say order, rule or regulation of governmental authority, then while so prevented, Lessee obligation to comply with such covenant shall be suspended, and lessee shall not be liable in damages for failure to comply therewith, and this lease shall be extended while and so long as lessee is prevented by any such cause from conducting drilling or workover operations on or from producing oil and gas from the leases premises, and the time while lessee is so prevented shall not be counted against lessee. In the Wheeler lease on term #8) no change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor, … and default by one shall not affect the rights of other, and term #9) Should lessee be prevented from complying with any express or implied covenant of this lease, … then while so prevented lessee duty shall be suspended, and lessee shall not be liable for failure to comply therewith, and this lease shall be extended while and so long as lessee is prevented by any such cause from conducting… and while the time while lessee is so prevented shall not be counted against lessee, thus, even any reasonable lay-person can see, without having to attempt to tailor make an evaluation to an overlapping dispute to title, that American Publication in the Carlsbad Currant Argus newspaper and check payments is a True representation to the Commission.
Alpha's Affidavit from Wildcat Energy, LLC stating that no shut-in payments for the Saik Well were made after it showed lack of production more than a decade ago, attached hereto as Alpha Exhibit 4, is irrelevant to the matter, for under the leases of the Bell #7 and Wheeler #8 lease terms that default by one shall not affect the rights of another operator, therefore Wildcat signed statement presented by Alpha counsel is misleading at best, for any defaults that may have arose prior to American ownership, are barred by lease terms, and barred by laches, and have no right to make a claim against American as the current prudent operator of the Saik Unit leases and well, for American is in compliance with the terms of the leases and New Mexico laws.

12. The fact that under terms of the Bell lease #10 and Wheeler leases #9 that should lessee be prevented with complying with an express or implied covenants of the leases, then while so prevented, lessee obligation to comply with such covenants and duties shall be suspended, and lessee shall not be liable for failure to comply, and due to failed actions of Gas Purchasers pipeline sales line in the area who failed to upkeep their pipeline sales lines that later Enterprise acquired and capped is of no fault of any operator operating the Saik well causing such ceased operations, and further due to unjust and unethical acts

without standing or merit by the self-proclaimed leadership of the Division attorney Jessie Tremaine, an attorney of the GOC that was given the duty to ensure an agency such as the OCD agency operates within the bounds of the law, found it upon himself to act arbitrary, capricious, and outside his obligated duties to over reach by attempting to take over regulatory agent positions of the Division Compliance Office Supervisor Rob Jackson and Division Engineer Special Projects Group Dean McClure duties with acts to prevent and stonewall American from preforming its submitted workovers on its Saik well and others, is of no fault under the Bell #10 and Wheeler #9 leases terms of American rights to operate its Saik well.
(American has hired an attorney regarding this separate matter).

13. Furthermore, the fact that American made the check payable to Emma Louise Bell, the original Lessor, and not to Charles R. Bell, an owner of interest in the mineral estate of Emma Louise Bell, in no way demonstrates that American failed to make a good-faith effort of due diligence to determine “the parties entitled” to payments due, for American named Emma Louise Bell, Charles R. Bell, their heirs, devisees, successors, and assigns of interest in its “Publication” in the Carlsbad Current Argus newspaper on March, 11, 18, and 25, 2025, and is custom and standards of is what constitutes a prudent operator in the oil and gas industry.
The plain language in the terms #7 of the Bell lease is that there are procedures that Lessor must follow before acting upon any terms in the lease, such as no change or division in such ownership shall be binding on Lessee until (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee principal place of business with a certified copy of recorded instrument, If one or more parties become entitled… Lessee may withhold payment thereof unless and until furnished with a recordable instrument, and term #8 The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or revision of the estate created hereby nor be grounds for cancellation hereof in whole or in part, In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee if in default, shall have sixty (60) days after receipt of such notice in which to commence the compliance, and term #9 should Lessee be prevented from complying with any express or implied covenant of this lease, … then while so prevented, Lessee obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure co comply therewith.
American “good-faith” claim of ownership includes a “Publication” in the Carlsbad Current Argus newspaper March, 11, 18, and 25, 2025, as a prudent operator attempts to search for chain of title for the purpose of identifying any heirs, devisees, successors, and assigns

such as Charles R. Bell or any party "entitled" to payment in the lease, and any review which is not required under the lease terms, could have led to the discovery of the Affidavit of Heirship and Emma Bell's Death Certificate, but would not be bound to American under the terms of #7 of the lease terms. The fact that American made "Publication" in the Carlsbad Current Argus newspaper and made checks payable to Emma Louise Bell, last known address, indicates that American made "good-faith" efforts in its representation by presenting its "Publication" and "Checks" to the Commission by the burden of proof of its forthwith efforts as a prudent operator to maintain and protect its Saik Unit leases.

14. Another prime example involving the mineral interests of Ben and Carrie Wheeler ("Wheeler") further highlights American true representation and "good-faith" efforts to satisfy the prerequisite "good-faith" elements of its claim to ownership over which the Commission has jurisdiction to evaluate, and which can be established before parties to claim the existence of a bona-fide title dispute that would require the Commission to relinquish its jurisdiction to district court. In 1948, the Wheeler's leased their mineral interest in the Subject Lands for a primary term of 5 years to R.L. Martin by Oil and Gas Lease recorded in Eddy County in Book 31, Page 388. See 1948 Lease, Alpha Exhibit 5, where R.L. Martin failed to drill within 1-year of the primary term as stated on #4 of the 1948 lease agreement, because Consummation of the lease is the final act that makes a contract fully effective and binding. Eighteen years later, the Wheeler's leased their same mineral interest to David J. Sorenson on December 8, 1966, by Oil and Gas Lease recorded in Eddy County in Book 172, Page 184, Alpha Exhibit 6. This second Lease to Sorenson is a 1966 lease that American claims interest and has rights to claim in the Subject Lands with its Saik Unit leases.

15. American check dated February 28, 2025, sent for the alleged purpose of making a shut in payment, was made out to Ben Wheeler, the original lessor, with attempts to pay or identify any heirs, devisees, successor, and assigns of interest; however, if Alpha had performed proper due diligence in "good faith," Alpha would have discovered that Ben Wheeler deceased 1980 and three of his heirs no longer own the mineral estate and the new interest owner of the mineral estate who would be "entitled" to payment is River Red Energy Partners II LLC who obtained all interests from Ben Wheeler's heirs in August and September 2024. See Deed of Distribution Recorded in Eddy County in Barbara K. Beasley Bk:1185/ 1104, Constance Irene Hood Bk: 1187/ 333, Gary Bennett Wheeler Bk: 1185/ 1105 a copy of which is attached hereto as, **Exhibit D, E, F,** and in the Wheeler lease under term #4 of the Wheeler lease, that any timely payment of tender or rental or shut in royalty which is made in a bona fide attempt to make proper payment but which is erroneous In whole or in part as to parties amounts, or depositaries shall nevertheless be sufficient to prevent

termination of this lease in the same manner as though a proper payment had been made: prevented however lessee shall correct such error within (30) days after lessee has received written notice thereof by certified mail from lessor together with such instruments as are necessary to enable lessee to make proper payment, as American as a prudent operator has done with its checks and Publication in the Carlsbad Current Argus newspaper, and under term #8 of the Wheeler lease, American is not responsible for any change or division in ownership of the mineral estate, … until 30 days after Lessee has been furnished by certified mail at Lessee principal place of business with acceptable instruments and default in rental payment by one shall not affect the rights of other leasehold owners hereunder.
The fact that American at the time did not make payment to any unfamiliar or any unknown new party or parties of interests to the mineral estate that could be entitled to receive royalties but failed to send written notice to Lessee as required under the Wheeler lease, demonstrates that American acted as the lease required under term #4 and #8 of the lease agreement, and American representation are true to the Commission, of terms in the lease, and its submitted check dated February 28, 2025, and Publication in the Carlsbad Current Argus newspaper made by American in "good-faith" efforts are as a prudent operator under term #4 in the Wheeler lease, that American make a bona fide attempt whether erroneous in whole or in part, but is not obligated under the Wheeler lease to locate any change or division of interest of the lease, and under the #8 terms of the Wheeler lease, requires such duty to fall on mineral estate owners to self-manage their own mineral estates with the duty to notify the Lessee of any changes or division in ownership by sending Lessee written notice with recorded instruments of chain of title and default in payment by one shall not affect the rights of other leasehold owners hereunder.

16. The 1966 Lease states: "but [if] gas and/or condensate is not being sold or used and such well is shut-in, either before or after production therefrom, then on or before 90 days after said well is shut-in, and thereafter at annual intervals, lessee may pay or tender an advance annual shut-in royalty equal to the amount of delay rentals provided for in the lease for the acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered this lease shall not terminate", is irrelevant to the matter, Though, there is a 90-day deadline after production ceases during the primary term to make the shut-in payment, the Termination is not an "Automatic Termination", it simply allows for a process to proceed if acted upon by Lessor. Regardless of the Saik Well ceasing production prior to the date of American operations does not allow for an "Automatic Termination" of American Saik leases, by an unrelated party such as Alpha counsel that is attempting to do without standing or merit in such a self-portraited position to attempt to speak on behalf of a mineral estates most

deceased individuals, that he has no relations too or heirship too and does not own, and that any reasonable person could see it violates procedural law, ethics, and standards, for American leases are protected under term #4 of the Wheeler lease, and further protected by New Mexico law NMSA 70-1-3 to 70-1-5, “that notice must proceed action”, and under term #8 of the Wheeler lease agreement, and therefore the Commission can determine that the payment was made and submitted in “good-faith”, because American had no obligated duty under the lease to make efforts to validate title for the mineral owners ownerships in the leases, for such duty falls on the Lessor to self-manage their own mineral estates and “default in payment by one shall not affect the rights of other leasehold owners hereunder” as stated under #7 of the Bell lease and #8 of the Wheeler lease terms agreement. Therefore, American respectfully asks the Commission, upon review of this evidence, to rule that Alpha has acted in bad faith with attempts to mislead the Commission with its frivolous claims toward a prudent operator such as American.
(See Abbott v. Armijo 1983, that the lessor must mail to the lessee by certified mail a notice of intention to cancel said lease, before any such cancellation).

17. Finally, a comparison of American checks to a “good faith” review of documents and notices in the chain of title show that 28 of the 39 persons listed on American checks are deceased and therefore are not the persons “entitled” to shut-in payments under the plain terms of American leases, is irrelevant to the matter, for all mineral owners interests are their own obligated duty to manage as they see fit to self-manage their mineral estate. Therefore, Alpha’s spreadsheet listing the persons to whom American sent checks and their current status attached hereto as Alpha Exhibit 8, is irrelevant to the matter, for Alpha spreadsheet is intrusive at best, for Alpha has no rights to speak for the deceased or any persons of the mineral estates, and to allow such acts would be unjust and unethical, for Alpha does not own, and the Self-Affirmed Statement of Alpha’s Landman confirming his efforts in review of deadlines in the leases attached hereto as Alpha Exhibit 9, is irrelevant to the matter, for Alpha Landman John Coffman statements are compromised, for many of his already submitted self-affirmed statements were made with the intent to mislead the Division and Commission with false statements in American **Exhibits G,H.**
Alpha landman John Coffman single hour of time in making his “bad-faith” attempt to make a slipslop review of chain of title, in determining whom among American Leases lessors are deceased and who could still be entitled to payment regardless of being accurate to name the actual current owners of the mineral estate in the Wheeler lease which is Red River Energy Partners II LLC to date, pursuant the plain language of the Wheeler lease #8 term that “no change or division shall be binding upon Lessee for any purpose until 30 days after Lessee has been furnished by certified mail at Lessee principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the

original Lessor". If a lessor of record failed to manage their mineral estate, it should not fall on American acting as a prudent operator and further is valid with standing for claims of Laches on the matter, because Lessor failed at terms under notice in the lease which violates New Mexico State law, which Alpha has failed to present such notice as evidence for its claims, since no evidence has been presented by Alpha of a "notice that proceeds action" it is clear that Alpha cannot prevail.

IV. All Administrative Remedies Within a State Agency's Jurisdiction Must be Exhausted Before the Commission Can Defer a Matter to District Court.

18. It is an uncommon practice for mineral owners to enter into new leases with other lessees, when existing lessees leases terms have been complied with and have not been terminated, for American has complied with all terms in the leases as represented above. The Commission has an obligation to protect correlative rights by ensuring that the rightful owners in a unit receive their just and equitable share of production. See NMSA 1978 § 70-2-6 (The Commission could have jurisdiction, authority, and control over all persons, matters or things necessary or proper to enforce effectively the provisions of the oil and gas act, which it can easily review, but cannot attempt to tailor-make "good-faith" elements of an overlapping title dispute, as its basis to evaluate claims to title that are not separate from the determination of the validity of title itself); See Continental Oil Co. v. OCC, 1962-NMSC-062. The power granting the Commission authority and jurisdiction over matters related to conservation of oil and gas is founded on the duty to protect correlative rights and prevent waste, is diminished by the lack of jurisdiction the Commission has to attempt to tailor-make an evaluation for an overlapping dispute of title, and would be compromised basis to such title dispute as it would be unclear whom correlative rights the Commission is required to protect and whom rights will prevent waste, rendering any attempt to tailor make an evaluation under rule NMSA 70-2-6, or any other statute implemented not in corresponding with New Mexico law is compromised and lacks jurisdiction.

The basis of Commissions powers, that the Commission is a creature of statute, expressly defined, limited and empowered by laws creating it with the basis of its powers is founded on the duty to prevent waste and to protect correlative rights

Sims v Mechem 1963 NMSC.

Judicial powers, the Commission must act in a judicial capacity when it attempts to approve a proposed unitization plan, its decision must therefore be entitled to preclusive effect

Amoco Prod Co v Heimann 1990.

Restrictions of commissions powers, that the power and authority of the Commission is general in nature, but Commission is restricted to the end that it cannot act arbitrarily, unlawfully or capriciously in carrying out administrative functions imposed upon it.

1959 Op. Att'y Gen. No. 59-186.

19. If a party threatens and/or violates correlative rights as Alpha has continued to do, by continuously making false representations of facts to the Division and Commission and engaging in bad-faith behavior by intentionally disregarding proper due diligence and other standard practices within the oil and gas industry that are necessary to establish the "good faith" element of a claim to ownership, then the Commission has the authority and the obligation to review such factual matters (i.e., finding that Alpha engaged in false representations with intent to deceive the Commission when presenting its claim to title) separately and distinguishable, and to go beyond a review to attempt to tailor-make an evaluation ruling disguised as a "good-faith" efforts ruling would be misleading for such tailer-made acts would cause severe harm to validity of the title itself which is a matter of law in the appropriate jurisdiction. See U.S. West Commc'ns, Inc. v. N.M. State Corp. Comm'n, 1998-NMSC-032, (stating that under the exhaustion of administrative remedies doctrine, where relief is available from an administrative agency, a party is ordinarily required to pursue that avenue of redress before proceeding to the courts; and until that recourse is exhausted, suit is premature and must be dismissed).

20. The issues of "good faith" that Alpha is asking the Commission to address requires the unique expertise of the Commission and Division, who are knowledgeable of and involved in the standards, practices, and expectations within the oil and gas industry, questions such whether American as a prudent operator was prudent to acquire and operate, instead of plugging, as American has done under Bell lease terms #7, #8, #10 and under the Wheeler lease terms #4, #8, #9 of the leases; whether American acted in good faith when presenting its checks and Publication in the Carlsbad Current Argus newspaper to the Commission, as American has done under the lease terms #7, #8, #10 and under the Wheeler lease terms #4, #8, #9 of the leases; whether American acted in good faith without the burden of duty under the leases to perform unnecessary due diligence of changes or divisions in the ownership of the mineral estate with forthwith action made by American with checks to owners last known addresses and Publication in the Carlsbad Current Argus newspaper to identify owners, as a prudent operator such as American has done but not burdened with the duty of under the terms of the leases.; and furthermore, the issues of "good faith" that American is asking the Commission to address requires the unique expertise of the Commission and Division, who are knowledgeable of and involved in the standards, practices, and expectations within the oil and gas industry, questions such whether is Alpha, an imprudent operator who is currently out of compliance by not having adequate financial assurances to operate that currently violate New Mexico laws to proceed with operations of any kind, as Alpha does by not having adequate financial

assurances to operate, and whether Alpha made false representation with intent to mislead the Commission with its statements of American the lessee being burdened with false duties under the leases to locate change or division in ownership of the mineral estate though the leases don't obligate such duties on the Lessee under terms #7 of the Bell lease and #8 of the Wheeler lease that any reasonable person would see Alpha demonstrated and presented false representation of duties of terms #7 of the Bell lease and #8 of the Wheeler lease to the Commission with intent to deceive; and whether Alpha made false representation of American leases being automatically terminated for lack of payments and production, for under the terms of the leases no automatic termination is mentioned for default, only a implement for termination that must be acted upon by Lessor, and that default in payment by one lessee shall not effect of other leasehold owners under term #4 and #7 of the Bell and Wheeler leases and any reasonable person would see Alpha again demonstrated and presented false representation to the Commission with intent to deceive, and whether Alpha withheld Exculpatory evidence of the terms in the leases such as "lessee if in default shall have thirty days in the Wheeler lease #4 term and sixty days in the Bell lease #8 term after receipt of such written notice by Lessor by certified mail in which to commence the compliance", and again any reasonable person could see Alpha withheld Exculpatory evidence of the terms of the leases with intent to deceive the Commission, and whether Alpha has failed to present a notice that proceeds action as required by the leases and New Mexico law, and whether Alpha landman John Coffman continued to make false misleading representation of American ownership as not having ownership, to wellbore ownership, to expired ownership, to terminated ownership, as John Coffman submitted and signed under threat of perjury made many false representations of American ownership in his self-affirmed statements with intent to mislead and deceive, as John Coffman current self-affirmed statement dated November 25, 2025, signed under the threat of perjury falsely represented that American was obligated to locate heirs of deceased mineral owners to make payment when under the terms of #7 of the Bell lease and #8 of the Wheeler lease clearly states that Lessee is due written notice of any change or division in mineral ownership and shall not be binding upon lessee until 30 days after lessee has been furnished by certified mail at lessee principal place of business with a certified copy of recorded instrument, and whether Alpha and landman John Coffman slipslop search of title made false representation of the Ben Wheeler heirs as of Barbara K. Beasley, Constane Irene Hood, and Gary Bennett Wheeler being owed dues as the current owners of the Wheeler lease, but as American ran its own title search on the Wheeler leases found that Red River Energy Partners II LLC was the current owner of all the Wheeler interests as of August, 21, 2024, September,30, 2024, and August, 21, 2024, and any reasonable person could see that Alpha and landman John Coffman falsely represented with intent to deceive the Commission for under the terms of the leases it is not the burden

of duty of the Lessee to keep track of when its Lessors become a deceased person, or a change or division in ownership, regardless of the deceased person still owning the mineral estate or no longer owning the mineral estate, for the burden of duty falls on the Lessors to give written notice to the Lessee of any division or change in the mineral estate, as stated in the Bell and Wheeler leases., and whether Alpha counsel attempted to deceive the Commission with attempts to change the narrative of the matter with intent to deceive and sway the Commission to act erroneously in tailor-making an evaluation in attempts to evaluate an overlapping dispute of title, as any reasonable person can see that such acts by the Commission is unlawful and unreasonable in depriving a party such as American of its property with out due process of law for the order will not rest upon an authorized statutory basis, the order will not be supported by substantial evidence, and the order will be incomplete and vague.
These questions of fact should first be addressed and reviewed by the Commission pursuant to its expertise before it prematurely relinquishes its jurisdiction in order to ensure that a bona-fide title dispute actually exists.

21. American respectfully asks the Commission to exercise both its authority and its unique expertise to evaluate the factual matters of Alphas actions and rule on a question squarely within its jurisdiction:
Alpha claims that given the implement of the 90 day deadline stated in the shut-in provisions of the Bell and Wheeler Leases automatically terminates the lease without the Lessor taking proper actions, that is clearly required under the lease terms of #7 and #8 of the Bell lease and #4 and #8 of the Wheeler lease and further required under New Mexico law NMAC 70-1-3 to 70-1-5 " that notice must proceed action", and any reasonable person could see that the Bell and Wheeler leases are not an automatic termination for default, for the termination term is merely an implement in the lease to be acted upon by the owner of the mineral estate as Lessor burdened with the duty to self-manage its own mineral estate, and if Lessee is in default the Lessor must send written notice by certified mail of said default to the Lessee principal place of business to commence compliance within 30 days after receipt of the written notice, and furthermore, did Alpha make false representation to the Commission when it presented American Publication in the Carlsbad Current Argus newspaper and American checks dated February 28, 2025,(#7 Bell lease and #8 Wheeler lease that default of one shall fall have no effect another, and American checks and Publication dated within the 90 days of when American took over operations), with intent to deceive the Commission to believing Alpha was just in its acts in changing the narrative of the matter with intent to willfully and frivolously attempt to terminate American Saik leases without standing or merit or being the owner to the mineral estate with standing or merit?

22. If the answers are in the affirmative, then American submits that Alpha gave false representation and failed to satisfy the “good-faith” element of its claim to ownership before the Commission. The evaluation of whether a party has acted in good faith is a purely factual matter.
The fact that Alpha presented false representation of terms in the Bell lease and Wheeler lease to frivolously terminate American Saik leases with out standing or merit for the purpose and intent to deceive the Division and Commission to act erroneous regardless of ethics and standards; the fact Alpha made false representation to the Commission in its ownership report with intent to deceive and attempted to burden American with false duties to provide an ownership report as required by applicants seeking to compulsory pool new spacing units demonstrating alleged percentage of ownership is not required as burden of duty on an effected party such as American under rule 19.15.14.9 NMAC for the Saik Unit is an existing unit and such duties fall on the compulsory pooling applicant, the fact Alpha made false representation to the Commission with intent to deceive to frivolously attempt to enforce regulatory using an outdated NOV letter of a previous operator Wildcat is Unconstitutional under the Fifth and fourteenth Amendment Constitutional rights for American as the current prudent operator has no NOV letters to date, and the fact that Alpha made false representation to the Commission with intent to deceive that American reported production and not production testing from its Saik Well starting in January 2025 in the amount of 1 MCF per month until current for under the Bell and Wheeler lease terms and New Mexico law a prudent operator can operate as sees fit and necessary for operations, the fact that Alpha made false representation of the Saik Well meter being removed and capped when the Enterprise pipeline sales line of the Saik well and its gathering lines all have structural integrity issues in the area and for Enterprise pipeline sales line being compromised with structural integrity issues and being a cheap imprudent gas purchaser that failed to fix its own sales lines in the area and regardless of Enterprise failed efforts to upkeep its old sales lines does not affect American rights to operate under the lease and New Mexico law and American efforts and expense to run new sales line to a prudent gas purchaser in the area, all these matters are factual matters requiring the oil and gas expertise of the Commission to evaluate and rule on before it defers the matters to district court in the form of a bona-fide title dispute.
See Exhibit I

23. Because there are indications Alpha made false representations to the Commission and failed to satisfy the “good-faith” element in its claim to ownership, Alpha does not meet the criteria of the Tenneco test for denying an Emergency Stay, as Alpha in light of its bad-faith actions is not likely to, nor should it, prevail on the merits of these cases; furthermore, it would be harmful to the public interest to set a precedent of rewarding a

bad actor and its bad actions – a party who intentionally made false representation and acquired frivolous leases disguised as new lease with intent to deceive the Commission to act arbitrary, capricious, and erroneous to terminate American Saik Unit leases without the burden of proof of a "notice that proceeds action" as required by the Bell and Wheeler lease terms and New Mexico law, regardless of any non-activity and then proceeding with activity all of 2025 being identified as an active Saik well in compliance with leases and New Mexico law, regardless of American presenting true and affective shut in payments checks and Publication in the Carlsbad Current Argus newspaper to the Commission, regardless of American reported production testing as allowed in the production report filings, Division rules, and New Mexico law, regardless of the old compromised pipeline sales line of Enterprise being capped for structural integrity issues compromised by having holes in the pipeline sales line, which is why DCP sold the old faulty compromised pipeline sales line, that ended up being acquired by Enterprise but never fixed as a imprudent gas purchaser, and who has used such bad faith actions to disrupt and abuse with intent to deceive the Division and Commission that such acts were just and legitimate to the compulsory pooling proceedings before the Division and Commission in an effort to attack American correlative rights and undermine pooling proceedings, not the mention the more than 100 owners who would be harmed by having the right to their just and equitable share of production denied by denying an Emergency Stay.

24. The Parties of Record—Permian Resources Operating, LLC, Sarvis Permian Land Fund I, LLC, U.S. Energy Development Corporation, and Sarvis Rockmont Permian Land Fund, LLC—have been informed of the filing of this Motion and have not stated a position as of this filing date. American has also notified Alpha Energy Partners II, LLC of the filing of this response, and because the requested relief is adverse to its asserted interest, American presumes that Alpha Energy Partners II, LLC opposes this response.

V. Conclusion:

For the reasons and evidence provided herein, American respectfully requests that the Commission deny Alpha motions and dismiss them as moot and find as a factual matter that Alpha representations terms in the Bell and Wheeler leases were made in bad faith and false representation with intent to deceive the Commission and that Alpha failed as a factual matter to satisfy the good-faith element of its claim to ownership, findings that should result in a denial of Alpha request to deny American request for an Emergency Stay.

Respectfully submitted,

Jonathan Samaniego
P.O. Box 11[illegible]
Hagerman, NM 88232
(575)499-7330
Energy.jrs@gmail.com
Representative for American Energy Resources LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico New Mexico Oil Conservation Commission and was served on counsel of record via electronic mail on December 14, 2025:

Freya Tschantz, Law Clerk
Freya.Tschantz@emnrd.nm.gov
OCD.Hearings@emnrd.nm.gov
EMNRD-Oil Conservation on Division Clerk

Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com
Attorneys for Alpha Energy Partners II, LLC, and AEP II Operating, LLC

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
mfeldewert@hollandhard.com
arankin@hollandhart.com
pmvance@hollandhart.com
Attorneys for Permian Resources Operating, LLC; And Sarvis Permian Land Fund I, LLC, U.S. Energy Development Corporation, and Sarvis Rockmont Permian Land Fund, LLC

Kaitlyn A. Luck
P.O. Box 483
Taos, NM 87571
luck.kaitlyn@gmail.com
(361) 648-1973
Attorney for Chief Capital (O&G) II LLC,
Covenant Hercules LLC,
Christian Capstone LLC,
and Crusader Royalties LLC

Warren Anderson
Lilli Anderson
1310 Forest Avenue
Pasadena, CA 91103
WarZulu91@gmail.com
Pro Se