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- · Cleanly separated Exhibits A through H
- Examiner-friendly layout
- · Court-ready structure

Written-Out Exhibits (Readable, Citable)

- Exhibit A Mineral ownership & standing
- Exhibit B Failure of good-faith negotiation
- Exhibit C Procedural & statutory defects
- Exhibit D Unfair modified JOA
 - Exhibit E Comparative fairness analysis
 - Exhibit F Serial filings & procedural pressure
 - Exhibit G Surface & land-use interference (home blocking
- Exhibit H Due process & constitutional concerns

Paloma Permian / Alpha Energy Partners II, LLC Compulsory Pooling Applications

ocd Case Nos.: 25-496 and 25-700

County: Eddy County, New Mexico

Objectors:

Received by O.Co.: 12/16/2025

Warren Anderson and Lillie (Lily) Anderson

EXHIBIT A-COMWED

MINERAL OWNERSHIP AND STANDING

Marren Anderson and Lillie (Lily) Anderson are lawful owners of mineral intered by County, New Mexico, within the spacing and pooling units identified in 0 25-496 and 25-700.

Their ownership establishes standing under the New Mexico Oil and Gas Act hem to all statutory and constitutional protections afforded to mineral ownership proceedings.

As mineral owners, the Andersons possess legally protected interests, includimited to:

- 1. The right to negotiate lease and development terms in good faith;
- 2. The right to be free from unreasonable surface interference;

PALOMA

PALOMA PERMIAN ASSETCO, LLC 1100 Louisiana St., Ste. 5100 Houston, Texas 77002 713.650.8500

SENT VIA CERTIFIED MAIL NO. 9589 0710 5270 2121 7528 65 RETURN RECEIPT REQUESTED

December 12, 2025

Bobby W. Anderson 1301 Forest Avenue Pasadena, CA 91103 1 Just Recieved THIS Today 12/15/2025

RE:

Well Proposals – Hollywood Star Section 17 and 18-22S-27E Eddy County, New Mexico

Ladies and Gentlemen:

Paloma Permian AssetCo, LLC ("Paloma") herby proposes the drilling and completion of the following wells located within Section 17 and 18 Township 22 South, Range 27 East, Eddy County, New Mexico:

WELL NAME	SHL	FTP	LTP	BHL	TVD	FORMATION
	1651' FSL & 180'	724' FSL & 330'	724' FSL & 330'	724' FSL & 200'		
Hollywood Star 17-18 Fee 701H	FWL 16-22S-27E	FEL 17-22S-27E	FWL 18-22S-27E	FWL 18-22S-27E	8809'	WOLFCAMP
	1671' FSL & 180'	2024' FSL & 330'	2024' FSL & 330'	2024' FSL & 200'		
Hollywood Star 17-18 Fee 702H	FWL 16-22S-27E	FEL 17-22S-27E	FWL 18-22S-27E	FWL 18-22S-27E	8809'	WOLFCAMP
	2421' FSL & 180'	1960' FNL & 330'	1960' FNL & 330'	1960' FNL & 200'		
Hollywood Star 17-18 Fee 703H	FWL 16-22S-27E	FEL 17-22S-27E	FWL 18-22S-27E	FWL 18-22S-27E	8809'	WOLFCAMP
	2441' FSL & 180	660' FNL & 330	660' FNL & 330'	660' FNL & 200		
Hollywood Star 17-18 Fee 704H	FWL 16-22S-27E	FEL 17-22S-27E	FWL 18-22S-27E	FWL' 18-22S-27E	8809'	WOLFCAMP
	1691' FSL & 180	1374' FSL & 330'	1374' FSL & 330	1374' FSL & 200		
Hollywood Star 17-18 Fee 801H	FWL 16-22S-27E	FEL 17-22S-27E	FWL 18-22S-27E	FWL 18-22S-27E	9402'	WOLFCAMP
	1711' FSL & 180	2610' FNL & 330'	2610' FNL & 330'	2610' FNL & 200'		
Hollywood Star 17-18 Fee 802H	FWL 16-22S-27E	FEL 17-22S-27E	FWL 17-22S-27E	FWL 18-22S-27E	9402'	WOLFCAMP
	2401' FSL & 180'	1310' FNL & 330'	1310' FNL & 330'	1310' FNL & 200'		
Hollywood Star 17-18 Fee 803H	FWL 16-22S-27E	FEL 17-22S-27E	FWL 18-22S-27E	FWL 18-22S-27E	9402'	WOLFCAMP

Paloma reserves the right to modify the locations and the drilling plans described above in order to address any surface and subsurface concerns. Paloma will advise of any such modifications.

Each well is currently covered by New Mexico Oil Conservation Division Pooling Order Number R-23961 ("Pooling Order"). Per the Pooling Order and statutory guidance, you shall have thirty (30) days upon receipt of this to letter to (i) make an election to participate and thirty (30) additional day in which to pay your share of the drilling and completions costs or (ii) elect not to participate in the wells. Non-participation in the wells is subject to the penalties outlined in the order. Failure to make an election within the designated election timeframe will be deemed an election to not participate in the wells.

Enclosed with this letter is an Authority for Expenditure ("AFE") for each of the proposed wells. Please be aware that the enclosed AFEs are only an estimate of costs to be incurred, and by electing to participate, you shall be responsible for your proportionate share of all actual well costs incurred.

Page 2

Please indicate your election to participate in the drilling and completion of the proposed well(s) in the space provided below, within thirty (30) days of receipt, by signing and returning one (1) copy this letter and AFE(s), along with your well data requirements sheet. As per the terms of the Pooling Order, payment must be made thirty (30) days after the expiration of your election period. If your election is to participate in drilling the proposed wells then please also execute and return one (1) copy of the enclosed AFE or return via email to pgarcia@palomaresources.com.

Your prompt attention to this matter is greatly appreciated. If you have any questions regarding this proposal, please contact the undersigned at (713) 654-8549.

Sincerely,

Pilan Lauri Pilar Garcia Landman

WELL ELECTIONS											
Well Name	Elect to Participate	Elect to Not Participate									
Hollywood Star 17-18 Fee 701H											
Hollywood Star 17-18 Fee 702H											
Hollywood Star 17-18 Fee 703H											
Hollywood Star 17-18 Fee 704H											
Hollywood Star 17-18 Fee 801H											
Hollywood Star 17-18 Fee 802H											
Hollywood Star 17-18 Fee 803H											

Executed this	day of	2025.	
Bobby W. Ander	son		
Company:			
By:			
Name:			
itle:			

AUTHORITY FOR EXPENDITURE WELL COST ESTIMATE DATE AFE# 10/11/2024 TBD PROSPECT PROJECT PROPOSED DEPTH (ft) UWC WELL NAME & NUMBER Alpha 19,150 LEGAL LOCATION (SEC / TOWNSHIP / RANGE) Hollywood Star Fee 17-18 701H COUNTY OR PARISH STATE 17 18 22S27E OPERATOR NM Eddy Paloma Permian AssetCo, LLC 10000' Lateral - 7 well pad OBJECTIVE: Drilling REMARKS: 4 UWC & 3 LWC - 7 well pad & 1 Facility Pad Completions 60 Stages - Plug & Perf Production 2 7/8 in Tubing with Gas Lift Valves FACILITIES COMPLETION DRILLING INTANGIBLES TOTAL CODE CODE CODE 310/1 DRILLING RIG - TURNKEY 630,000 310/3 19 days DRILLING RIG - DAY WORK 230,000 410/1 COMPLETION RIG (WORKOVER / CTU / SNUBBING) 27,000 310/4 RIG MOBILIZATION & DEMOBILIZATION 5,000 410/6 285,714 310/5 LAND & LEGAL (Land Brokerage, Title, Etc.) 165,000 310/5.5 SURFACE USE AGREEMENT (SUA Payment) 5,000 410/6 14,286 310/6 PERMITS 410/8 185,000 310/7 SITE COSTS 146,500 410/10 310/11 DRILLING FLUID (Mud, Water, Completion Fluid & Equipment Rentals) 410/11 210,000 310/15 FUEL & POWER 410/13 245,000 310/17 CEMENTING (Cement, Cementing Services & Cementing Equipment) 62,500 310/20 DRILL BITS 81,750 410/18 108,250 310/22 DOWNHOLE RENTALS 11,429 213,750 510/6 69,500 410/19 310/23 SURFACE RENTALS 75,700 410/20 FLOWBACK RENTALS 14,400 310/26 GEOLOGIC EVALUATION 355,000 410/21 CASED HOLE LOGGING & PERFORATING 2,81 2,815,500 411/1 FORMATION STIMULATION 570,000 16,700 411/2 310/12 WATER 20,000 410/25 14,500 310/16 TRANSPORTATION 271,500 310/35 DIRECTIONAL DRILLING SERVICES 15,000 410/27 90,000 310/38 CASING (OR TUBING) CREWS & EQUIPMENT 7,500 410/28 28,000 310/39 TUBULAR SERVICES (Cleaning, Inspection & Testing) 65,985 22,500 510/1 410/30 159,000 310/40 LABOR & MISCELLANEOUS SERVICES 7,660 310/21 INSURANCE 5,000 10,000 410/34 310/43 OFFICE SUPERVISION 30,571 107,500 190,000 510/3 410/35 FIELD SUPERVISION / CONTRACT ENGINEERING 310/44 122,731 510/2 INSTALL PRODUCTION FACILITY 410/43 10,000 410/36 5,000 ADMINISTRATIVE OVERHEAD 310/45 ABANDONMENT EXPENSE 410/37 310/46 FLUID DISPOSAL 173,250 50,000 310/32 410/44 MISCELLANEOUS COSTS & CONTINGENCIES (5%) 11,536 310/47 457,689 410/38 703,005 510/9 1,172 TOTAL INTANGIBLES 3,508,949 5,369,705 242,252 \$ 9,120,9

9 3, 120,	9 272,202		0,000,700		0,000,040	Decree of the Paris of the Pari			TO THE III				
	ACILITIES	FA	MPLETION	COM	DRILLING					S	TANGIBLE		
TOTAL	5	CODE	5	CODE	\$	CODE	\$/FT	THREAD	GRADE	WEIGHT	SIZE	FOOTAGE	CASING
						312/1	-	-	-	-	-		DRIVE PIPE
					4,800	312/2	60	-	-	-	20	80	CONDUCTOR
20					20,000	312/3	40	BTC	J55	55	13	500	SURFACE
157					157,500	312/4	35	BTC	P110ICY	40	10	4,500	INTERMEDIATE
13/					107,000	312/5			-	-			DRILLING LINER
					440,450	312/9	23	TXP	P110ICY	20	51/2	19,150	PRODUCTION
440					440,450	312/10				-			PRODUCTION LINER
			19.675	312/11		012710	\$ 6	8rd EUE	L-80	6.50	27/8	9,350	TUBING
48			48,675	312/11									
			45.000	412/43	65,000	312/6						IT	WELLHEAD EQUIPMEN
110		-	45,000		05,000	012/0					Anchors, Etc.)	ENT (Packers, Tubing	SUBSURFACE EQUIPME
			-	412/45		-			lotoro Etal				PRODUCTION EQUIPME
469	469,261	512/4		312/8		-			ieters, Etc.)	ny ar ators, IV	Pode Ded D	AEMY (Dumning Link	ARTIFICIAL LIFT FOLIDA
			25,000	412/52		MARS ALL SALES				np, Etc.)	mods, mod Pur	neis) (rumping unit,	ARTIFICIAL LIFT EQUIPMENT
	10.000	512/5		412/53						ay)	g Rights-Of-W	S & UTILITY (Including	FLOWLINES & PIPELINE
1	10,000	512/5		412/57	NAME AND ADDRESS OF THE OWNER, WHEN PERSON ADDRESS OF THE OWNER, WHEN PERSON AND ADDRESS OF THE OWNER, WHEN	The majorness and proposed in						EQUIPMENT	MISCELLANEOUS WELL
		512/7	110 000	416/01	6 607 750			NGIBLES	TOTAL TA				
\$ 1,285	\$ 479,261		118,675	5	\$ 687,750								

TOTAL WELL COSTS	\$ 4,196,699	COMPLETION \$ 5,488,380	FACILITIES TOTAL
		7 0,700,000	\$ 721,513 \$ 10,406

Prepared by:

Received by OCD: 12/16/2025

Lelan Anders

VP - Operations

Approved by:

Lelan Anders

				AFE# TBD	0	0	DATE 10/11/2024
VELL NAME & NUM		PROPOSED DEPTH (ft)	PROJECT				PROSPECT
follywood Star Fee 1	7-18 702H	19,150	Alpha				UWC
Paloma Permian Asse		COUNTY OR PARISH	STATE	LEGAL LOCATION	(SEC / TOW	NSHIP / RANGE)	
		Eddy	NM	17_18_22S27E			
DIECTIVE.	4000011-41 7 0						
	10000' Lateral - 7 well pad Drilling						
	Drilling 4 UWC & 3 LWC - 7 well pad & 1 Facility Pad						
	Drilling						
OBJECTIVE:	Drilling 4 UWC & 3 LWC - 7 well pad & 1 Facility Pad Completions						

INTANGIBLES		DRILLING		COMPLETION	F	ACILITIES	
	CODE	\$	CODE	\$	CODE	\$	TOTAL
DRILLING RIG - TURNKEY	310/1						
DRILLING RIG - DAY WORK 19 days	310/3	630,000	THE STATE OF THE				630,000
COMPLETION RIG (WORKOVER / CTU / SNUBBING)			410/1	230,000	研集器系列	THE RESERVE TO THE PARTY OF THE	230,000
RIG MOBILIZATION & DEMOBILIZATION	310/4	27,000					27,000
LAND & LEGAL (Land Brokerage, Title, Etc.)	310/5	285,714	410/6	5,000			290,714
SURFACE USE AGREEMENT (SUA Payment)	310/5.5	165,000					165,000
PERMITS	310/6	14,286	410/6	5,000			19,286
SITE COSTS	310/7	185,000	410/8				185,000
DRILLING FLUID (Mud, Water, Completion Fluid & Equipment Rentals)	310/11	146,500	410/10	-			146,500
FUEL & POWER	310/15	210,000	410/11				210,000
CEMENTING (Cement, Cementing Services & Cementing Equipment)	310/17	245,000	410/13	-			245,000
DRILL BITS	310/20	62,500	SECTION SECTION				62,500
DOWNHOLE RENTALS	310/22	108,250	410/18	81,750			190,000
SURFACE RENTALS	310/23	69,500	410/19	213,750	510/6	11,429	294,679
FLOWBACK RENTALS			410/20	75,700			75,700
GEOLOGIC EVALUATION	310/26	14,400			PAR STREET, ST		14,400
CASED HOLE LOGGING & PERFORATING	The same of		410/21	355,000			355,000
FORMATION STIMULATION			411/1	2,815,500			2,815,500
WATER	310/12	16,700	411/2	570,000			586,700
TRANSPORTATION	310/16	14,500	410/25	20,000			34,500
DIRECTIONAL DRILLING SERVICES	310/35	271,500					271,500
CASING (OR TUBING) CREWS & EQUIPMENT	310/38	90,000	410/27	15,000			105,000
TUBULAR SERVICES (Cleaning, Inspection & Testing)	310/39	28,000	410/28	7,500			35,500
LABOR & MISCELLANEOUS SERVICES	310/40	159,000	410/30	22,500	510/1	65,985	247,485
INSURANCE	310/21	7,660		EL,000	010/1	00,500	7,660
OFFICE SUPERVISION	310/43	10,000	410/34	5,000			15,000
FIELD SUPERVISION / CONTRACT ENGINEERING	310/44	107,500	410/35	190,000	510/3	30,571	328,071
INSTALL PRODUCTION FACILITY			410/43	100,000	510/2	122,731	122,731
ADMINISTRATIVE OVERHEAD	310/45	10,000	410/36	5,000	01012	122,701	15,000
ABANDONMENT EXPENSE	310/46	10,000	410/37	3,000	The second second		13,000
FLUID DISPOSAL	310/32	173,250	410/44	50,000			223,250
MISCELLANEOUS COSTS & CONTINGENCIES (5%)	310/47	457,689	410/38	703,005	510/9	11,536	
TOTAL INTANGIBLES		\$ 3,508,949	410/00	\$ 5,369,705	310/3	\$ 242,252	\$ 9,120,905
TANGIBLES							0, 120,000
CACINIC		DRILLING	(COMPLETION	F	FACILITIES	

		TANGIBLE	5					DRILLING		COMPLETION	F	ACILITIES	
CASING	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	\$/FT	CODE	\$	CODE	\$	CODE	\$	TOTAL
DRIVE PIPE	-	-	-	-	- 1	-	312/1						
CONDUCTOR	80	20		-	-	60	312/2	4,800			NO STATE OF		4,800
SURFACE	500	13	55	J55	BTC	40	312/3	20,000					20,000
INTERMEDIATE	4,500	10	40	P110ICY	BTC	35	312/4	157,500	S. ALARDY AND				157,500
DRILLING LINER			-	-		- 2	312/5						
PRODUCTION	19,150	5 1/2	20	P110ICY	TXP	23	312/9	440,450		No. of Contract of			440,450
PRODUCTION LINER	-	-			- 1		312/10	-	NO. YOU AND				
TUBING	9,350	27/8	6.50	L-80	8rd EUE	\$ 6	TO BELLEVIE	ALCOHOLD STREET	312/11	48,675			48,675
WELLHEAD EQUIPMENT					and the same of		312/6	65,000	412/43	45,000			110,000
SUBSURFACE EQUIPME	NT (Packers, Tubing)	Anchors, Etc.)							412/45	40,000			110,000
PRODUCTION EQUIPMEN				eters, Etc.)					312/8	-	512/4	469,261	469,261
ARTIFICIAL LIFT EQUIPME	ENT (Pumping Unit, R	Rods, Rod Pur	p, Etc.)						412/52	25,000			25,000
FLOWLINES & PIPELINES	& UTILITY (Including	Rights-Of-Wa	y)						412/53		512/5	10,000	10,000
AISCELLANEOUS WELL E	QUIPMENT								412/57		512/7		10,000
				TOTAL TA	NGIBLES			\$ 687,750		\$ 118,675	-	\$ 479,261	\$ 1,285,686

DRILLING COMPLETION TOTAL WELL COSTS \$ 4,196,699 \$ 5,488,380	\$ 721,513 S	TOTAL \$ 10,406,592
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Prepared by:

Lelan Anders

VP - Operations

Approved by:

Lelan Anders

Received by OCD: 12/16/2025

WELL NAME & NUMBER Hollywood Star Fee 17-18 703H OPERATOR Paloma Permian AssetCo, LLC OBJECTIVE: 10000' Lateral - 7 well pad EMARKS: Drilling 4 UWC & 3 LWC - 7 well pad & 1 Facility Pad Completions 60 Stages - Plug & Perf					AFE# TBD	0	0	DATE 10/11/2024 PROSPECT
EMARKS: Drilling 4 UWC & 3 LWC - 7 well pad & 1 Facility Pad Completions 60 Stages - Plug & Perf	Illywood Star Fee 17-18 703H ERATOR		19,150 COUNTY OR PARISH	Alpha STATE		(SEC / TO	WNSHIP / RANGE)	UWC
2 7/8 in Tubing with Gas Lift Valves	ARKS: Drilling 4 UW Completi 60 Sta Production	IC & 3 LWC - 7 well pad & 1 Facility Pad ions ages - Plug & Perf						

DRILLING RIG - TURNKEY	INTANGIBLES		DRILLING		COMPLETION		ACILITIES	TOTAL
DRILLING RG - DAY WORK 19 days 3100 630,000 1011 230,000 1015 1	INTANGIBLES	CODE	\$	CODE	\$	CODE	\$	TOTAL
DRILLING RIG - DAY WORK	DOLLING DIG TUDNIKEY	310/1		NE TOWN				630,000
SOMPLETON RG WORKOVER CTU / SNUBBING) 310/4 27,000 310/6 285,714 410/6 5,000 310/5 310/5 310/5 310/5 310/6 310/5 310/6 310/5 310/6		310/3	630,000		222.222			230,00
IS MOBILIZATION & DEMOBILIZATION 31014 27,000 31015 285,714 41016 5,000 31015 325,714 41016 5,000 31015 31015 31015 31015 31015 31015 31015 31015 31016 14,286 41016 5,000 31017 31016 31017 31016 31017 310	ATTEMPT DATE TO THE TOTAL			410/1	230,000	THE CANADA		27,00
AND & LEGAL (Land Brokerage, Tifle, Etc.) 310/5		310/4		Man dia la	5.000			290,71
SUPFACE USE AGREEMENT (SUA Payment) 310/5 14,286 410/6 5,000		310/5	285,714	410/6	5,000			165,000
STATE COSTS 3107 185,000 410/8 -		310/5.5	165,000					19,28
STE COSTS 31077 185,000 41018		310/6	14,286	410/6	5,000			185,00
SRILLING FLUID (Mud, Water, Completion Fluid & Equipment Rentals) 310/11 146,500 410/10		310/7	185,000	410/8	*			
STOPPING		310/11	146,500	410/10	-	STREET, TO		146,50
CEMENTING (Cement, Cementing Services & Cementing Equipment) 310/17 245,000 410/13		310/15	210,000	410/11	-		A SECOND PROPERTY OF THE PARTY	210,00
SPILL BITS 310/20 62,500 500		310/17	245,000	410/13				245,00
310/22 108,250 410/18 81,760 81,760 81,760 81,760 81,760 81,760 81,760 81,760 81,760 81,760 81,760 81,760 81,760 81,760 81,760 81,760 81,760 81,760 81,770		310/20	62,500					62,50
SURFACE RENTALS 510/23 69,500 410/19 213,750 510/6 11,429 FLOWBACK RENTALS 650,000 410/20 75,700 50 FORMATION 310/26 14,400 50 FORMATION STIMULATION 411/1 2,815,500 50 FORMATION STIMULATION 310/16 14,500 410/25 20,000 50 FORMATION STIMULAR SERVICES (Cleaning, Inspection & Testing) 310/38 90,000 410/27 15,000 50 FUBBULAR SERVICES (Cleaning, Inspection & Testing) 310/39 28,000 410/28 7,500 510/1 65,985 510/21 7,660 50 FUBBULAR SERVICES (Cleaning, Inspection & Testing) 310/40 159,000 410/30 22,500 510/1 65,985 510/21 7,660 50 FUBBULAR SERVICES (Cleaning, Inspection & Testing) 310/40 159,000 410/30 22,500 510/1 65,985 510/21 7,660 50 FUBBULAR SERVICES (Cleaning, Inspection & Testing) 310/40 159,000 410/30 22,500 510/1 65,985 510/21 7,660 50 FUBBULAR SERVICES (Cleaning, Inspection & Testing) 310/40 159,000 410/30 22,500 510/1 65,985 510/21 7,660 50 FUBBULAR SERVICES (Cleaning, Inspection & Testing) 310/40 159,000 410/30 22,500 510/1 65,985 510/2 7,660 50 FUBBULAR SERVICES (Cleaning, Inspection & Testing) 310/40 159,000 410/30 22,500 510/1 65,985 510/2 7,500 510/1 65,985 510/2 7,500 510/2 7,660 50 510/2 7,660		310/22	108,250	410/18	81,750	NEW YORK BE		190,00
14/020 75,700		310/23	69,500	410/19	213,750	510/6	11,429	294,67
310/26 14,400 310/26 14,400 310/26 14,400 310/26 3				410/20	75,700			75,70
CASED HOLE LOGGING & PERFORATING FORMATION STIMULATION 310/12 16,700 411/12 570,000 MERCHICHON STIMULATION 310/16 14,500 410/25 20,000 DIRECTIONAL DRILLING SERVICES 310/35 CASING (OR TUBING) CREWS & EQUIPMENT 15,000 LABOR & MISCELLANEOUS SERVICES 310/39 310/39 28,000 410/28 7,500 LABOR & MISCELLANEOUS SERVICES 310/40 159,000 410/30 22,500 510/1 65,985 1000 FIELD SUPERVISION / CONTRACT ENGINEERING 310/43 107,500 410/43 - 107,500 410/43 - 510/2 122,731 ADMINISTRATIVE OVERHEAD 310/45 310/46 - 410/47 - 4		310/26	14,400					14,40
A		THE REAL PROPERTY.		410/21	355,000			355,00
WATER 310/12 16,700 411/2 570,000				411/1	2,815,500			2,815,50
TRANSPORTATION 310/16 14,500 410/25 20,000		310/12	16,700	411/2	570,000		CHARLES AND THE COLUMN	586,7
STATE Continue C				410/25	20,000			34,5
CASING (OR TUBING) CREWS & EQUIPMENT 310/38 90,000 410/27 15,000						200		271,5
CALCHING (OK PLEVIS OF LEVIS OF LIVE OF LEVIS					15,000	Man Printer		105,0
LABOR & MISCELLANEOUS SERVICES 310/40 159,000 410/30 22,500 510/1 65,985 1NSURANCE 310/21 7,660 OFFICE SUPERVISION 310/43 10,000 410/34 5,000 FIELD SUPERVISION / CONTRACT ENGINEERING 310/44 107,500 410/35 190,000 510/3 30,571 NSTALL PRODUCTION FACILITY 410/43 - 510/2 ADMINISTRATIVE OVERHEAD 310/45 10,000 410/36 5,000 ABANDONMENT EXPENSE 310/46 - 410/37 - 510/2 410/44 50,000 MISCELLANEOUS COSTS & CONTINGENCIES (5%) 310/47 457,689 410/38 703,005 510/9 11,536								35,5
STATE STAT							65,985	247,4
STATE SUPERVISION CONTRACT ENGINEERING STORY						777000		7,6
STALL PRODUCTION FACILITY 107,500 410/35 190,000 510/3 30,571 107,500 410/43 - 510/2 122,731 107,500 410/43 - 510/2 122,731 107,500 410/36 107,500					5.000	O SOUTH AND		15,0
NSTALL PRODUCTION FACILITY						510/3	30.571	328,0
ADMINISTRATIVE OVERHEAD 310/45 10,000 410/36 5,000 ABANDONMENT EXPENSE - 410/37								122,7
ABANDONMENT EXPENSE 310/46 - 410/37 - 510/10 DISPOSAL 310/32 173,250 410/44 50,000 500 500 500 500 500 500 500 500		310/45	10,000		5,000			15,0
FLUID DISPOSAL 310/32 173,250 410/44 50,000 50,000 510/9 11,536			10,000		0,000	CONTRACTOR SALES		10,0
MISCELLANEOUS COSTS & CONTINGENCIES (5%) 703,005 510/9 11,536			173 250		50,000	The second second		223,2
							11 526	1,172,2
	TOTAL INTANGIBLES	310/47	\$ 3,508,949		\$ 5,369,705	310/9		

		TANGIBLE	S					DRILLING	C	OMPLETION	FA	CILITIES		
CASING	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	\$/FT	CODE	\$	CODE	\$	CODE	\$	TOTAL	
DRIVE PIPE		-	-	-			312/1						-	
CONDUCTOR	80	20	-		-	60	312/2	4,800		Blanch Children			4,800	
SURFACE	500	13	55	J55	BTC	40	312/3	20,000					20,000	
INTERMEDIATE	4,500	10	40	P110ICY	BTC	35	312/4	157,500		THE REPORT OF THE PARTY OF THE	ANGLE OF		157,500	
DRILLING LINER	-	-	-	-		-	312/5	- 1		MARINE CONTRACTOR	THE RESERVE			
PRODUCTION	19,150	5 1/2	20	P110ICY	TXP	23	312/9	440,450					440,450	
PRODUCTION LINER					-		312/10		March Street		are a second		110,100	
TUBING	9,350	27/8	6.50	L-80	8rd EUE	\$ 6			312/11	48,675	NAME OF STREET		48,675	
WELLHEAD EQUIPMENT					The second secon		312/6	65,000	412/43	45,000			440.000	
SUBSURFACE EQUIPMEN	NT (Packers, Tubing)	Anchors, Etc.)					Man Ba		412/45	45,000			110,000	
PRODUCTION EQUIPMEN				eters, Etc.)			E SAN CORN		312/8		EADIA	400.004		
ARTIFICIAL LIFT EQUIPME					TO STATE OF THE PARTY OF THE PA		Versella de la Companya			-	512/4	469,261	469,261	
LOWLINES & PIPELINES &					The second		of the second second		412/52	25,000	ALL PROPERTY.		25,000	
ISCELLANEOUS WELL EC		rights-OI-vva	<u>y)</u>					Marine Control of the	412/53		512/5	10,000	10,000	
"COLLD STED OF THE EC	ZUIFMENT						The state of the s		412/57		512/7	-		
				OTAL TA	NGIBLES	The second second		\$ 687,750		\$ 118,675		\$ 479,261	\$ 1,285,686	

	DRILLING	COMPLETION	FACILITIES	TOTAL
TOTAL WELL COSTS	\$ 4,196,699	\$ 5,488,380	\$ 721,513 \$	

Prepared by:

Lelan Anders

VP - Operations

Approved by:

Lelan Anders

~ 24 50

Received by OCD: 12/16/2025

				AFE# TBD	0	0	DATE 10/11/2024
WELL NAME & No Hollywood Star Fee		PROPOSED DEPTH (ft) 19,150					PROSPECT
OPERATOR Paloma Permian As	setCo, LLC	COUNTY OR PARISH Eddy	STATE	LEGAL LOCATION 17_18_22S27E	(SEC / TO	WNSHIP / RANGE)	
DBJECTIVE:	10000' Lateral - 7 well pad						
EMARKS:	Drilling 4 UWC & 3 LWC - 7 well pad & 1 Facility Pad Completions						
	60 Stages - Plug & Perf Production						

		INTANGIE	BLES					DRIL	LING	COMPLETION		FACILITIES			
							CODE		\$	CODE	\$	CODE	\$		TOTAL
DRILLING RIG - TURNI							310/1	BURN				A SAN SAN SAN SAN SAN SAN SAN SAN SAN SA			
DRILLING RIG - DAY W			1	9 days			310/3	3	630,000	San Marie Constitution of the Constitution of					630,000
COMPLETION RIG (WO		JBBING)				and the second		Ca 12 12 12	Service Servic	410/1	230,000				230,000
RIG MOBILIZATION & D			APPEN COM				310/4	The state of	27,000		The second second			15000	27,000
LAND & LEGAL (Land 8							310/5		285,714	410/6	5,000		The same of		290,714
SURFACE USE AGREE	MENT (SUA Payment)						310/5.5		165,000						165,000
PERMITS			In the last	ALIEN SERVICE			310/6		14,286	410/6	5,000	- PAYZONES			19,286
SITE COSTS				A STATE OF THE PARTY OF THE PAR		A STATE OF THE PARTY OF THE PAR	310/7		185,000	410/8		100000000000000000000000000000000000000			185,000
DRILLING FLUID (Mud	d, Water, Completion Fl	uid & Equipme	ent Rentals)			310/11		146,500	410/10					146,500
FUEL & POWER					19 19 19 19 19		310/15		210,000	410/11			The same of the same		210,000
CEMENTING (Cement	t, Cementing Services &	Cementing E	quipment)				310/17	10 100	245,000						245,000
DRILL BITS							310/20		62,500						62,500
DOWNHOLE RENTALS	3						310/22		108,250		81,750				190,000
SURFACE RENTALS						STATE OF THE STATE	310/23	and the same	69,500	410/19	213,750	510/6		11,429	294,679
FLOWBACK RENTALS					ENGLAND OF THE PARTY OF THE PAR		010120		00,000	410/20	75,700	310/0		11,423	
GEOLOGIC EVALUATION	ON						310/26	THE SHEW STEELS AND	14,400		75,700			CONTRACTOR OF THE PARTY OF THE	75,700
CASED HOLE LOGGIN							010/20		14,400	410/21	255 000	PARTIES OF THE PARTIE	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		14,400
	ATION STIMULATION									410/21	355,000		March March		355,000
WATER							310/12		16.700		2,815,500		The second	And the Control	2,815,500
TRANSPORTATION							_		16,700	411/2	570,000		Jan Barrer		586,700
DIRECTIONAL DRILLIN	IG SERVICES						310/16	and the same	14,500		20,000				34,500
		T					310/35		271,500						271,500
	ING (OR TUBING) CREWS & EQUIPMENT							2 2000	90,000	410/27	15,000		Mark Line	Shirt in	105,000
	UBULAR SERVICES (Cleaning, Inspection & Testing)								28,000	410/28	7,500				35,500
INSURANCE	LABOR & MISCELLANEOUS SERVICES								159,000	410/30	22,500	510/1		65,985	247,485
OFFICE SUPERVISION							310/21		7,660						7,660
		2410	11.12				310/43		10,000	410/34	5,000		A Chairman and a		15,000
FIELD SUPERVISION /		RING					310/44		107,500	410/35	190,000	510/3		30,571	328,071
INSTALL PRODUCTION							STAR SEASON	图 1500000		410/43		510/2		122,731	122,731
ADMINISTRATIVE OVE							310/45		10,000	410/36	5,000				15,000
ABANDONMENT EXPEN	NSE	Made al					310/46			410/37					10,000
FLUID DISPOSAL							310/32		173,250	410/44	50,000				222.250
MISCELLANEOUS COST	TS & CONTINGENCIES	5 (5%)					310/47		457,689	410/38	703,005	510/9		11,536	223,250
			A. Commission	TOTAL IN	ITANGIBL	ES	1000000	\$	3,508,949			310/3	6 2		1,172,230
		TANOIDI					SHOULD BE SHOULD	1 4	0,000,040		\$ 5,369,705		3 24	12,252	\$ 9,120,905
CACINIC	5007105	TANGIBLE						DRILL	ING	(COMPLETION		FACILITIES		
CASING	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	\$/FT	CODE		\$	CODE	\$	CODE	3		TOTAL
DRIVE PIPE			-			-	312/1					0002	-		TOTAL
CONDUCTOR	80	20				60		N CONTRACTOR	4,800						
SURFACE	500	13	55	J55	BTC	40		100000	20,000	The second secon					4,800
NTERMEDIATE	4,500	10	40		BTC	35	312/4		157,500	The second second		Carlo Miles and Carlo			20,000
DRILLING LINER							312/5		107,300	A STATE OF THE STATE OF					157,500
PRODUCTION	19,150	5 1/2	20	P110ICY	TXP	23	312/9		440.450			A AND AND AND AND AND AND AND AND AND AN	Subvita Line	CHANGE OF THE PARTY OF THE PART	
TOTAL SECTION STATE OF THE PARTY OF THE PART			-	-		2.0	312/10		440,450		CHARLES AND VALUE OF THE PARTY	THE PARTY OF		-	440,450
	9,350	27/8	6.50	L-80	8rd EUE	8 6	Maria Salara				CONTRACTOR OF THE PARTY OF THE				
	9,000	S. Carlotte and Control	THE PARTY OF		OIG EOE	2 0		E BEE		312/11	48,675				48,675
	3,330		A SHARE SHAR		Market Barrier	The same of the sa	01010		Minary 25 1 192, march	The second second	STATE OF THE REAL PROPERTY.				
UBING			THE RESERVE				312/6		65,000	412/43	45,000		The second		110,000
VELLHEAD EQUIPMENT		nohom Et à				The second second			DOUBLE PARTY OF A DESCRIPTION OF THE PARTY O	AADIAE		-	-	The second second	110,000
VELLHEAD EQUIPMENT JBSURFACE EQUIPMEN	NT (Packers, Tubing A	Inchors, Etc.)						AND SE		412/45			The second second		
VELLHEAD EQUIPMENT UBSURFACE EQUIPMENT CODUCTION EQUIPMEN	NT (Packers, Tubing A	Heaters, Del	hydrators, I	Meters, Etc.)								EADIA			
VELLHEAD EQUIPMENT UBSURFACE EQUIPMENT RODUCTION EQUIPMENT TIFICIAL LIFT EQUIPMENT	NT (Packers, Tubing A NT (Tanks, Separators ENT (Pumping Unit, R	Heaters, Del	nydrators, f	Meters, Etc.)						312/8		512/4		469,261	469,26
VELLHEAD EQUIPMENT UBSURFACE EQUIPMENT RODUCTION EQUIPMENT TIFICIAL LIFT EQUIPMENT	NT (Packers, Tubing A NT (Tanks, Separators ENT (Pumping Unit, R	Heaters, Del	nydrators, f	Meters, Etc.)						312/8 412/52	25,000	THE RESERVE TO SHARE THE PARTY OF		469,261	
VELLHEAD EQUIPMENT UBSURFACE EQUIPMENT RODUCTION EQUIPMENT TIFICIAL LIFT EQUIPMENT OWLINES & PIPELINES	NT (Packers, Tubing A NT (Tanks, Separators ENT (Pumping Unit, R & UTILITY (Including	Heaters, Del	nydrators, f	Meters, Etc.)						312/8	25,000				469,26
VELLHEAD EQUIPMENT UBSURFACE EQUIPMENT RODUCTION EQUIPMENT TIFICIAL LIFT EQUIPMENT OWLINES & PIPELINES	NT (Packers, Tubing A NT (Tanks, Separators ENT (Pumping Unit, R & UTILITY (Including	Heaters, Del	nydrators, f np, Etc.) ny)							312/8 412/52	25,000	512/5		469,261	25,00
PRODUCTION LINER TUBING VELLHEAD EQUIPMENT UBSURFACE EQUIPMENT RODUCTION EQUIPMENT OWLINES & PIPELINES CELLANEOUS WELL EC	NT (Packers, Tubing A NT (Tanks, Separators ENT (Pumping Unit, R & UTILITY (Including	Heaters, Del	nydrators, f np, Etc.) ny)	TOTAL TA	NGIBLES			S	687,750	312/8 412/52 412/53 412/57	\$ 118,675	512/5			25,00

TOTAL WELL COSTS	\$ DRILLING \$ 4,196,699	COMPLETION \$ 5,488,380	FACILITIES \$ 721,513 \$	TOTAL 10,406,592
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Prepared by:

Lelan Anders

VP - Operations

Approved by:

Lelan Anders

				AFE# TBD	0	0		ATE 10/11/2024 ROSPECT
VELL NAME & NU		PROPOSED DEPTH (ft) 19,725						LWC
Paloma Permian As		COUNTY OR PARISH Eddy	STATE	LEGAL LOCATION (17_18_22S27E	SEC / TOV	WISHIP / RANGE)		
BJECTIVE:	10000' Lateral - 7 well pad							
EMARKS:	Drilling 4 UWC & 3 LWC - 7 well pad & 1 Facility Pad Completions 60 Stages - Plug & Perf Production 2 7/8 in Tubing with Gas Lift Valves							
	INTANGIBLES			RILLING	co	MPLETION	FACILITIES	

		NTANGIBI	ES					DRILLING		COM	PLETION		FACILITIES		TOTAL
		MANGIBI	LLO				CODE	\$	CO	DE	\$	CODE	\$		TOTAL
DRILLING RIG - TURNKEY			BUT SIL		TO HE COUNTY		310/1		- 200						
DRILLING RIG - DAY WOR			20	days			310/3	67	000,						675,0
COMPLETION RIG (WORK		BING)					1867 (BR.103 (S)		410	0/1	230,000				230,0
RIG MOBILIZATION & DEM				PARTITION ST			310/4	2	7,000	River The		4			27,0
AND & LEGAL (Land Brok							310/5			0/6	5,000				290,7
SURFACE USE AGREEME							310/5.5		000,	1000 00	No. of the last of	No. of Concession, Name of Street, or other party of the Concession, Name of Street, or other party of the Concession, Name of		No.	165,0
PERMITS	art jour raymenty						310/6		,286 410	0/6	5,000				19,2
SITE COSTS							310/7		,000 410		0,000				185,00
	later Completion Duis	d P Envisor	t Destale)												156,50
DRILLING FLUID (Mud, W	vater, Completion Fluid	a Equipmen	it Rentais)				310/11			/10					
FUEL & POWER							310/15		,250 410						226,25
CEMENTING (Cement, Co	ementing Services & C	ementing Eq	uipment)				310/17		,000 410	13	-				245,00
DRILL BITS							310/20		,500			Danie Danie			62,50
DOWNHOLE RENTALS							310/22		,250 410	18	81,750				195,00
SURFACE RENTALS					and the		310/23	74	,000 410	19	213,750	510/6	11,429		299,17
FLOWBACK RENTALS								A PERCENTAGE STORY	410/	20	75,700				75,70
GEOLOGIC EVALUATION							310/26	16	,800						16,80
CASED HOLE LOGGING							The state of the s	S DESCRIPTION OF THE PARTY OF T	410/	21	355,000				355,00
FORMATION STIMULATIO	ON						BANKS AND	A CAR PROPERTY AND A SAME	411	/1	2,815,500				2,815,50
WATER							310/12	17	,300 411	12	570,000	100000000000000000000000000000000000000			587,30
TRANSPORTATION							310/16		500 410/		20,000				
DIRECTIONAL DRILLING							310/35		,000	SUPER PROPERTY	CONTRACTOR DESCRIPTION				34,50
CASING (OR TUBING) OF							310/38		000 410/	27	15,000				285,00
TUBULAR SERVICES (C		Testing)					310/39		000 410/		7,500				105,00
LABOR & MISCELLANEO	OUS SERVICES						310/40		500 410/			54014			35,50
INSURANCE					THE PARTY NAMED IN		310/21		890	SOUTH STATE OF THE	22,500	510/1	65,985		255,98
OFFICE SUPERVISION										2.4	5.000				7,89
FIELD SUPERVISION / CO	ONTRACT ENGINEER	UNG					310/43				5,000				15,00
INSTALL PRODUCTION F				PART DE L'ANDRE	Section 1	The Party of the P	010/44	113	000 410/		190,000	510/3	30,571		335,57
ADMINISTRATIVE OVER							310/45	10	410/		-	510/2	122,731		122,73
ABANDONMENT EXPENS	SE						310/46	10	000 410/3		5,000				15,000
FLUID DISPOSAL								470	- 410/3		-				10,000
MISCELLANEOUS COST	S & CONTINGENCIES	(5%)					310/32		250 410/4		50,000	AL CONTRACTOR			223,250
				TOTAL IN	TANGIBL	EC	310/47	474		38	703,005	510/9	11,536		
1				TOTAL	TANGIBL	ES	A CHARLES	\$ 3,639,4	51	\$	5,369,705		\$ 242,252	•	1,189,252
CASING		TANGIBLE	ES			DISTRIBUTED.		DRILLING					4 242,232	2	9,251,407
DRIVE PIPE	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	\$/FT	CODE	DRILLING			PLETION	F	ACILITIES		
CONDUCTOR.	-	-	-		-	-	312/1	•	COD	E	\$	CODE	S		TOTAL
SURFACE	80	20				60			-						TOTAL
INTERMEDIATE	500	13	55	J55	BTC	40	312/2		800						
DRILLING LINER	4,500	10	40	P110ICY	BTC	35	312/3		000		And the last of th				4,800
PRODUCTION			-		-	35	312/4	157,	500						20,000
PRODUCTION LINER	19,725	5 1/2	20	PITOICY	TXP	23	312/5		- 200						157,500
TUBING	-	-			-	23	312/9	453,	575						
	9,925	27/8	6.50	L-60	8rd EUE	8 0	312/10		•						453,675
WELLHEAD EQUIPMENT					-	4			312/1	1	48,675				
SIBBIBENCE COUNTY	UT C						240/0	MENTER STREET		-	10,075	PART DISEASE DATE OF			43,675
SUBSURFACE EQUIPMENT	WI (Packers, Tubing A	Anchors, Etc.)					312/6	65,	000 412/4	3	45,000				
LUNCOLLINATION ECOLUPINENT	Taries Representant	4	The second second	helpro Esca					412/4	The same of the same of	40,000				110,000
				ELGID, ELC.)				The second second second second	TANKS OF THE PARTY	-	-				1,0,000
The state of the s	THE RESIDENCE OF THE PARTY OF T	Right City	ip, exc.)				THE REAL PROPERTY.	NAME OF TAXABLE PARTY.	312/8	-	3	512/4	469,261		
SOELLANEOUS WELL FO	WLINES & PIPELINES & UTILITY (Including Rights-O1-Way) ZELLANEOUS WELL EQUIPMENT						THE RESERVE OF THE PERSON NAMED IN	NAME OF TAXABLE PARTY OF TAXABLE PARTY.	412/5	2	25,000		100,201		469,261
							THE RESERVE OF THE PERSON NAMED IN	Name of Street or other Desirement of the Street or other Desirement or other Desireme	412/5	3		ELDIE			25,000
TOTAL TANGIBLES								412/5	7		512/5	10,000		10,00	
					TOIDLES			\$ 700,9			440.00	512/7			10,00
			1 1 1 1 1 1 1					1		19	118,675		\$ 479,261	2	4 000
													410,201	3	1,298,91
								DRILLING		Los					
			I	OTAL W	ELL CO	STS	Marin Control			CO	MPLETION		FACILITIES		
			Francis	The second second second	AND DESCRIPTION OF THE PARTY OF			\$ 4,340,42	6	8		211 11 213	FACILITIES		TOTAL
					THE OWNER OF THE OWNER, WHEN	Charles of the Party of the Par			-	-	5,488,380	ALL CONTRACTOR	\$ 721,513	-	
				Prepare	4.6			THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER.			The state of the s		4 (61.31.)		10 550 340

Prepared by: Approved by: 10,550,319 Lelan Anders VP - Operations

Lelan Anders

P9 8

AUTHORITY FOR EXPENDITURE WELL COST ESTIMATE

CODE \$ C	PROSPECT LWC S TOTAL 675 230 290 165 185 185 156 226 245 62 11,429 299 75 11,429 299 75 16 3555 2,815 587 34 285
OPERATOR DOUBLETON PARISH Easy	FACILITIES \$ TOTAL 675 230 290 165 195 185 156 226 245 62 195 11,429 299 75 16 355 2,815 587 34 285
REMARKS: Drilling A UVC & 3 LWC - 7 well pad & 1 Facility Pad Seminations of the Completion of the Com	\$ TOTAL 675 230 290 165 195 185 185 195 11,429 299 11,429 299 75 16 355 2,815 587 34
Public P	\$ TOTAL 675 230 290 165 195 185 185 195 11,429 299 11,429 299 75 16 355 2,815 587 34
### AUNC & S LINC - 7 woll paid & 1 Facility Paid Completions 6 Stages - Plug & Perl Production 7 278 in Tubing with Gas Lift Valves ### The Production 7 1	\$ TOTAL 675 230 290 165 195 185 185 195 11,429 299 11,429 299 75 16 355 2,815 587 34
LILING RIG - TURNKEY	\$ TOTAL 675 230 290 165 195 185 185 195 11,429 299 11,429 299 75 16 355 2,815 587 34
ILLING RIG - TURNICEY 310/1	675 230 27 290 165 185 185 156 226 245 245 11,429 299 75 16 355 2,815 587 34 285
MELETION RG (WORKOVER (CTU / SNUBBING) MOBILIZATION S DEMOBILIZATION 10 & LEGAL, (Land Brokespe Tifle, Etc.) RINTS RACE USE AGREEMENT (SUA Payment) RINTS 1310/5 225,714 410/6 5,000 RINTS 1310/5 165,000 RINTS 1310/6 14,286 410/6 5,000 RINTS RINTS 1310/7 185,000 410/8 LILLING FLUID (Mud, Water, Completion Fluid & Equipment Rentals) 1310/7 185,000 410/8 LILLING FLUID (Mud, Water, Completion Fluid & Equipment) 1310/7 225,500 410/10 LILLING FLUID (Mud, Water, Completion Fluid & Equipment) 1310/7 225,500 410/10 LILLING FLUID (Mud, Water, Completion Fluid & Equipment) 1310/7 225,500 410/10 LILLING FLUID (Mud, Water, Completion Fluid & Equipment) 1310/7 225,500 410/10 LILLING FLUID (Mud, Water, Completion Fluid & Equipment) 1310/7 225,500 410/10 1310/20 62,500 MANNING RENTALS 1310/20 62,500 MA	230 270 290 165 185 156 226 245 62 195 11,429 299 75 16 355 2,815 587 34 285 105
MOBILIZATION & DEMOBILIZATION 310/4 27,000	290 165 195 185 185 156 226 245 245 195 11,429 299 75 16 355 2,815 34 285 105
DA LEGAL (Land Brokenspe,Tille, Etc.) 310/5 285,714 410/6 5,000	165 195 186 156 226 245 62 195 11,429 299 75 16 355 2,815 587 34 285 105
MINTS	195 185 156 226 245 62 195 11,429 299 75 16 355 2,815 587 34 285
E COSTS	185 156 226 226 245 62 195 11,429 299 75 16 355 2,815 587 34 285
LILING FLUID (Mud, Water, Completion Fluid & Equipment Rentals)	156 226 245 62 195 11,429 299 75 16 355 2,815 587 34 285
BLA POWER 310/15 226,250 410/11	226 245 62 195 11,429 299 75 16 355 2,815 587 34 285
MENTING (Cement, Cementing Services & Cementing Equipment)	245 62 195 11,429 299 75 16 355 2,815 34 285
ILL BITS	11,429 299 11,429 299 75 16 355 2,815 34 285
MANI-OLE RENTALS 310/22 113,250 410/18 81,750 REFACE RENTALS 310/23 74,000 410/19 213,750 510/6 100/20 75,700 100/20 75,700 100/20 75,700 100/20 75,700 100/20 75,700 100/20 75,700 100/20 75,700 100/20 75,700 100/20	11,429 299 75 16 355 2,815 587 34 285
OWBACK RENTALS 310/26 16,800 410/20 75,700 75	11,429 299 75 16 355 2,815 587 34 285
SICURDIC EVALUATION 310/26 16,800 410/21 335,000	16 355 2,815 587 34 285 105
SED HOLE LOGGING & PERFORATING	355 2,815 587 34 285 105
RRMATION STIMULATION ATER 310/12 17,300 411/1 2,815,500 ANSPORTATION 310/16 14,500 410/25 20,000 RECTIONAL DRILLING SERVICES 310/35 285,000 310/39 28,000 410/27 15,000 BULAR SERVICES (Cleaning, Inspection & Testing) 310/39 28,000 410/28 7,500 BULAR SERVICES (Cleaning, Inspection & Testing) 310/39 28,000 410/28 7,500 BULAR SERVICES (Cleaning, Inspection & Testing) 310/40 167,500 410/30 22,500 510/1 SURANCE 310/43 10,000 410/34 5,000 ELD SUPERVISION (CONTRACT ENGINEERING) 310/41 310/40 410/35 510/2 MINISTRATIVE OVERHEAD 310/45 310/46 410/37 410/33 - 510/2 MINISTRATIVE OVERHEAD 310/46 310/47 410/33 - 510/2 MINISTRATIVE OVERHEAD 310/46 310/47 410/37 - UID DISPOSAL SCELLANEOUS COSTS & CONTINGENCIES (5%) TOTAL INTANGIBLES TANGIBLES TANGIBLES TANGIBLES CASING FOOTAGE SIZE WEIGHT GRADE THREAD \$/FT CODE \$ CODE \$ CODE \$ CODE	2,815 587 34 285 105
NTER	587 34 285 105
ANSPORTATION 310/16 14,500 410/25 20,000 EECTIONAL DRILLING SERVICES 310/35 285,000 SING (OR TUBING) CREWS & EQUIPMENT 310/38 90,000 410/27 15,000 SING (OR TUBING) CREWS & EQUIPMENT 310/38 90,000 410/27 15,000 SING (OR TUBING) CREWS & EQUIPMENT 310/38 90,000 410/28 7,500 SIOR & MISCELLANEOUS SERVICES 310/40 167,500 410/30 22,500 510/1 URANCE 310/21 7,890 SID & MISCELLANEOUS SERVICES 310/21 7,890 SID & MISCELLANEOUS SERVICES 310/21 7,890 SID & MISCELLANEOUS CONTRACT ENGINEERING 310/43 10,000 410/34 5,000 SID /3 15/41 PRODUCTION FACILITY 410/35 190,000 510/3 TALL PRODUCTION FACILITY 410/36 5,000 MISCELLANEOUS COSTS & CONTINGENCIES (5%) 310/45 10,000 410/36 5,000 SID /3 10/45 10/44 50,000 SID /3 10/45 10/44 50,000 SID /4 10/43 5 SID /4 10/44 50,000 SID /4 10/	34 285 105
SING (OR TUBING) CREWS & EQUIPMENT 310/38 90,000 410/27 15,000	285 105
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STALL PRODUCTION FACILITY	65,985 255
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31NG 9,925 27/8 6.50 L-80 8rd FUE \$ 6	
312/11 48,675	48
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SURFACE EQUIPMENT (Packers, Tubing Anchors, Etc.)	110
COUNTEQUIPMENT (Tanks, Separators, Heaters, Dehydrators, Meters, Etc.)	100.00
CIAL DE LEUDIPMENT (Pumping Unit, Rods, Rod Pump, Etc.)	469,261 469
LINES & PIPELINES & UTILITY (Including Rights-Of-Wav)	2
412/57 512/3	10,000
TOTAL TANGIBLES \$ 700,975 \$ 118,675	\$ 479,261 \$ 1,298
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Prepared by: Lelan Anders VP - Operations	\$ 721,513 \$ 10,550

									AFE#					DATE	10/11/2024
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D HOLE LOGGING	& PERFORATING						310/2	0	16,800		NO THE REPORT OF THE PARTY OF T	775			16,80
IATION STIMULAT	TION						CONTROL	199 E		410/21	355,000				355,00
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CTIONAL DRILLING SERVICES							310/16	6	14,500		20,000				587,30
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LANEOUS COST	S & CONTINGENCIES	\$ (5%)	Sales Contract				310/32		173,250	410/44	50,000				222.25
				TOTAL IN	TANGIBI	FS	310/47		474,711	410/38	703,005	510/9	11,536		1,189,25
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CASING	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	\$/FT	CODE	DRI	ILLING		COMPLETION	F	FACILITIES		
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L LIFT EQUIPMEN	VT (Pumping Unit, Ro	neaers, Del	ly or ators, Ive	eters, Etc.)				1		412/45					110,00
SEPIPELHESE	UTILITY (Including F	ous, mos Pun	ip, Etc.)				10000	1		312/8		512/4	469,261		
MEDIS WELL EQU	JIPMENT	ugins-O1-VVa	y)							412/52	25,000		105,201		469,26
										412/53		512/5	10,000		25,00
			T	OTAL TAN	IGIBLES			5	700,975	412/57		512/7	10,000		10,00
									700,875		\$ 118,675		\$ 479,261	\$	1,298,91
								D	RILLING		0011				1,200,0
			TO	IW IATO	ELL CO	ere				The state of the s	COMPLETION		FACILITIES		707.
			110	C. C. Show W. W.	the feet has been a feet of the	2 1 69			4 0 4 0						
					LLL CO.	010		3	4,340,426		A CONTRACTOR OF THE PARTY OF TH				TOTAL
				Prepared		Lelan And		\$	4,340,426		€ E 400 200		\$ 721,513		10,550,31

Pg. 10F3 25 700 ATTach Pgs. 1 THROUGH 3
TO EXIBIT: A

To Whom It May Concern,

Alpha Energy Partners II, LLC (AEP II) have no permission to do any operations or production or producing any oil by drilling on this property listed.

Bone Spring Formations: No, you do not have permission to do nothing on the property.

No, you do not have permission to do anything under the terms of my modified 1984 AMPL form of operating agreement. Lillie Anderson and Warren Anderson do not accept this operating agreement.

This offer is unacceptable.

BELOW IS OUR RECONSIDERATION OF THE AGREEMENT

Oil, Gas and Energy Lease Agreements Lessor Asking: \$1 .00 Per Barrel of barrel of oil produced from Lessee operations on said property.

Bonus: \$18,000.00 Royalty: 25% (1/4)

And \$1,000.00 Monthly for the first 3 years of Contract

Minimum Price clause: Lessee agrees that any oil from Lessee operations or production of oil produced that the Lessee will pay the Lessor \$1.00 per barrel and not less than \$1.00 per barrel, unless expressly agreed in writing by Lessor. Any sale below this price shall be deemed a breach of Contract.

Lessor has the right to deal with any company it prefers to deal with at any time when it deals with the selling and leasing of said property.

All oil, gas, mineral and hydrocarbons produced and saved on the leased premises shall be subject to a royalty of one fourth (1/4) of the market value at the well or actual proceed, whichever is greater. While

operation and production is in progress the Lessor shall be paid a one time signing bonus of \$18,000.00 per year for 3 years payable upon the execution of this Lease.

Petroleum products: The term can also refer to a measure of energy known as a barrel of oil equivalent (BOE), which represents the approximate energy content of one barrel of crude oil. Note: Barrel of oil typically refers to a unit of volume equal to 42 US gallons or approximately 159 liters used primarily in the oil and gas industry. This standard barrel is used for measuring both crude oil and refined.

With the operations and production that you plan to be on property listed on pages 2, 3, 4...540,000 barrels of oil which will come from your operation of production, you, stand to make 70,000,000 or more. But you want to offer

*\$6,000/acre lease bonus;

*1/4th royalty rate;

*3 year primary item, with 2 year option to extend, Paid Up

Your offer is not feasible for both parties. Your offer is insulting and you're harassing and bogarting. We won't accept your under-handedness in dealing with the Andersons.

We would like to reach an agreement and not have to keep going to the New Mexico Oil Conservation Division for compulsory pooling. In the interest of time, if we do not reach an agreement, I would like you to stop harassing and bogarting and stop the under-handedness. Your offer is insulting and unacceptable. The property can be leased if we can agree on a lease that works for both parties. The minerals are not for sale. The land is not for sale.

Thank you for your time and consideration, feel free to reach out if you have any questions. Alpha Energy Partners II LLC You have no permission to do anything on our property listed below.

Hollywood Star Fee Well Proposals Hollywood Star 17-18 Fee Cm 503H Hollywood Star 17-18 Fee Com 553H

S2N2 of Section 17 and Section 18 of Township 22 South, Range 27 East, Eddy County, New Mexico

We, Lillie Anderson and Warren Anderson, would like to come to a feasible agreement.

Lillie Anderson

Date 07/26/2025

Warren Anderson

Date 07/26/2025

Exhibit B - Trespass Argument

I. Introduction

Alpha and Permium have engaged in unauthorized entry, control, and development actions over the Anderson property without consent, constituting civil, subsurface, and anticipatory trespass.

II. Trespass Under New Mexico Law

Trespass includes any intentional entry, interference, or causing physical or subsurface intrusion without permission. New Mexico recognizes surface trespass, subsurface trespass, and anticipatory trespass.

- III. Trespass Conduct by Alpha and Permium
- A. Assertion of rights they do not have.
- B. Attempted imposition of a modified JOA without agreement.
- C. Planning drilling affecting Anderson land without authority.
- D. Using pooling applications to circumvent landowner consent.

IV. Damages and Relief Requested

Requested relief includes findings of unauthorized conduct, prohibition of entry or planning activity, rejection or modification of pooling application, and recognition of landowner's non-consent.

V. Conclusion

Alpha and Permium's actions constitute trespass and unfair operator behavior. Examiner intervention and protective relief are necessary.

EXHIBIT B-continue

FAILURE OF GOOD-FAITH NEGOTIATION

Paloma Permian and its affiliated entities failed to engage in mea negotiation with the Andersons prior to filing compulsory pooling

Communications and conduct reflect a pattern of presenting nonterms rather than engaging in balanced bargaining as required by

Good-faith negotiation requires more than the mere presentation

- · A willingness to modify unfair terms;
- · Reasonable consideration of landowner objections; and
- Genuine effort to reach a voluntary agreement.

Instead, Paloma relied on procedural escalation—filing application bypass negotiation rather than cure substantive defects.

This failure undermines the statutory basis for compulsory poolin applications premature and unlawful

EXHIBIT B-60/11/Ve

DISTRICT COURT DE NOVO OBJECTION

Objectors hereby submit this De Novo Objection for purposes of judicial review in district court arising from OCD Case No. 25496.

The amended application fails to satisfy statutory prerequisites for compulsory pooling, including good-faith negotiation. Further, the application imposes unconstitutional and inequitable burdens on private property, interferes with surface and residential use, and improperly favors the operator.

Objectors seek denial, reversal, or remand of any approval based on the Amended Application and request all further relief deemed just and proper by the Court.

EXHIBIT C - I ONTINUE

LACK OF GOOD-FAITH NEGOTIATION

New Mexico compulsory pooling law requires a showing of good-faith effort to obtain voluntary agreement prior to coercive pooling.

Applicants have failed to meet this requirement. Communications were one-sided, non-responsive to objections, and structured to compel participation rather than negotiate fairly.

The amended application does not correct this failure and instead proceeds as though good-faith negotiation is a formality, which violates statutory intent.

EXHIBIT C

PROCEDURAL AND STATUTORY DEFECTS IN THE APPL

The compulsory pooling applications contain substantive and procedural de be cured through amendment alone.

These defects include:

- 1. Reliance on serial filings to overcome objections rather than correcting for deficiencies;
- · 2. Failure to demonstrate that proposed terms are reasonable and balance
- 3 attempts to narrow the scope of review through procedural repetition; a
 - 4. Mischaracterization of landowner objections as refusal rather than legit

Compulsory pooling is an extraordinary remedy. Procedural persistence car statutory compliance.

Approval under these circumstances would undermine the intent of the Oil a erode protections for mineral owners statewide.

EXHIBITD

UNFAIR AND BURDENSOME JOINT OPERATING AGREE TERMS

LACK OF GOOD-FAITH NEGOTIATION

New Mexico compulsory pooling law requires a showing of good-faith effort to obtain voluntary agreement prior to coercive pooling.

Applicants have failed to meet this requirement. Communications were one-sided, non-responsive to objections, and structured to compel participation rather than negotiate fairly.

The amended application does not correct this failure and instead proceeds as though good-faith negotiation is a formality, which violates statutory intent.

EXHIBIT D- CONTINUECL

UNFAIR AND INEQUITABLE BURDENS ON LANDOWNERS

The Amended Application imposes:

- Financial risk without proportional protection,
- Loss of control over property interests,
- Unequal treatment favoring the operator.

These burdens fall disproportionately on non-consenting owners and violate the protective purpose of compulsory pooling statutes.

EXHIBIT E

SURFACE USE AND RESIDENTIAL INTERFERENCE

Applicants have failed to address how operations interfere with:

- Existing and planned residential use,
- Placement of a home on the property.
- Reasonable enjoyment and development of the J. ace estate.

Approval without clear and enforceable surface protections constitutes irreparable harm.

MANTO OCTAR

JTHORITY FOR EXPENDITURE WELL COST ESTIMATE

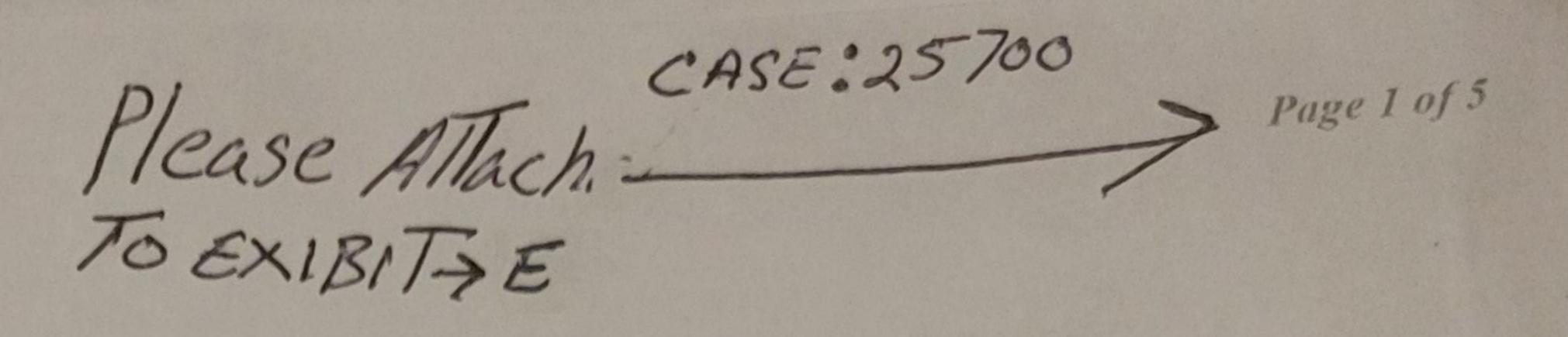
								AFE#					DATE 3/19/2.
WELL NAME & NUMB	ED			C133 1	IPPORO	SED DEPTH (ft	PROJE	TBD	0	0			PROSPECT
Hollywood Star Fee 17-					PROFU	17,40							2BSS
OPERATOR						Y OR PARISH	STATI		1	TOWNSHIP / RANGE)			
Paloma Permian Asset					Eddy		NM	17_18_22S-27E					
OBJECTIVE:	10000' Lateral - 8 w	ell pad											
REMARKS:	Drilling 2BSS (4) & 3BSC Completions 47.5 Stages - Plus Production 2 3/8 in Tubing wi	g & Perf		lity Pad									
	2 0/0 III Tubing III	THE REAL PROPERTY.						DDU LIUO		COMPLETION.		FACILITIES	
		INTANGI	BLES				CODE	DRILLING	CODE	COMPLETION	CODE	\$	TOTAL
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PRILLING RIG - DAY W							310/3	615,00		Market Committee of the			
COMPLETION RIG (W		NUBBING)					0.401		410/1	200,000			
AND PLECAL (1 and							310/4	87,50 285,71		5,000			
AND & LEGAL (Land							310/5,5			0,000			
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ITE COSTS			1.30				310/7	12,50					
RILLING FLUID (Mud	d, Water, Completion F	Fluid & Equipme	ent Rentals				310/11	171,50	_				
UEL & POWER EMENTING (Cement,	Cementing Septions	& Compating F	-quinment)				310/15	206,25					
RILL BITS	, otherwing services	a Jementing E	- quipinent)				310/20	91,00					
OWNHOLE RENTALS							310/22			57,550			
URFACE RENTALS							310/23	66,75				15,00	0
BACK RENTALS							310/26	45.00	410/20	40,600			
HOLE LOGGING	E LOGGING & PERFORATING							15,60	410/21	247,500	The second second		
MATION STIMULAT									411/1	2,863,086			. 2,
ATER			The state of		LONG THE	Strain Land	310/12	11,70		361,000			
NSPORTATION			The same of				310/16	14,500		20,000			
TIONAL DRILLING		PT					310/35	310,050		45.000			
JULAR SERVICES (Cleaning Inspection 8			-			310/38	55,000 28,000		7,500		And the latest the lat	
BOR & MISCELLANEO		2,000,00					310/40	74,000		15,000		30,000	
SURANCE				The Contract of the Contract o			310/21	6,960			LONG BUILDING		
FICE SUPERVISION							310/43	10,000					
ELD SUPERVISION / C		RING	19 1 8 1				310/44	110,500		114,038	510/3	63,000	
MINISTRATIVE OVER							310/45	10,000	410/43		510/2	50,000	
ANDONMENT EXPEN							310/46	-	410/37	-			
UID DISPOSAL							310/32	90,799	410/44	50,000			
SCELLANEOUS COST	S & CONTINGENCIE	S (5%)					310/47	436,736		616,770	510/9	7,900	
				TOTAL IN	IANGIBL	LES		\$ 3,348,309		\$ 4,733,569		\$ 165,900	
		TANGIBLE						DRILLING		COMPLETION	F	ACILITIES	
CASING	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	\$/FT	CODE	\$	CODE	\$	CODE	\$	TOTAL
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LHEAD EQUIPMENT							312/6	40,000	412/43	30,000			
SURFACE EQUIPMEN	NT (Packers, Tubing)	Anchors, Etc.)							412/45	30,000			
DUCTION EQUIPMEN	The state of the s			leters, Etc.)					312/8		512/4	DEE DOO	
	LIFT EQUIPMENT (Pumping Unit, Rods, Rod Pump, Etc.)						The same of the sa		412/52	5,000	0124	255,000	-23
WLINES & PIPELINES		g Rights-Of-Wa	ey)				The same		412/53	0,000	512/5	4,000	
CELLANEOUS WELL E	QUIPMENT								412/57		512/7	4,000	
				TOTAL TAP	VGIBLES			\$ 658,000		\$ 73,000		\$ 259,000	\$ 990
													. 330
								DRILLING		COMPLETION		EAOU ITIES	
			8	TOTAL W	FIL CC	STS	17-17-18		1 18 3 3 6 1			FACILITIES	TOTAL
			L	. SIFIL OV		010		\$ 4,006,309		\$ 4,806,569		\$ 424,900	\$ 9,237,

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BY falloma Permian ASSET

CO, LLC

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

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

Case No. 24944

APPLICATION

Alpha Energy Partners, LLC ("Alpha"), OGRID No. 330859., through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in the Wolfcamp formation, designated as a gas pool, underlying a standard 1267.84-acres, more or less, horizontal spacing unit comprised of Section 17 and 18 in Township 22 South, Range 27 East, Eddy County, New Mexico.

In support of its Application, Alpha states the following:

- 1. Alpha is a working interest owner in the proposed horizontal spacing unit ("HSU") and has a right to drill a well thereon.
- Therefore, Alpha proposes and dedicates to the HSU seven (7) initial wells: the Hollywood Star 17-18 Fee 701H; Hollywood Star 17-18 Fee 702H; Hollywood Star 17-18 Fee 703H; Hollywood Star 17-18 Fee 801H; Hollywood Star 17-18 Fee 801H; Hollywood Star 17-18 Fee 802H; and the Hollywood Star 17-18 Fee 803H, to be drilled to a sufficient depth to test the Wolfcamp.
- 3. Alpha proposes the Hollywood Star 17-18 Fee 701H Well to be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 17 to a bottom hole location in the SW/4SW/4 (Lot 4) of Section 18.

- 4. Alpha proposes the Hollywood Star 17-18 Fee 702H Well to be horizontally drilled from a surface location in the NE/4SE/4 (Unit I) of Section 17 to a bottom hole location in the NW/4SW/4 (Lot 3) of Section 18.
- 5. Alpha proposes the Hollywood Star 17-18 Fee 703H Well to be horizontally drilled from a surface location in the SE/4NE/4 (Unit H) of Section 17 to a bottom hole location in the SW/4NW/4 (Lot 2) of Section 18.
- 6. Alpha proposes the Hollywood Star 17-18 Fee 704H Well to be horizontally drilled from a surface location in the NE/4NE/4 of Section 17 (Unit A) to a bottom hole location in the NW/4NW/4 (Lot 1) of Section 18.
- 7. Alpha proposes the **Hollywood Star 17-18 Fee 801H Well** to be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 17 to a bottom hole location in the SW/4SW/4 (Lot 4) of Section 18.
- Alpha proposes the Hollywood Star 17-18 Fee 802H Well to be horizontally drilled from a surface location in the NE/4SE/4 (Unit I) of Section 17 to a bottom hole location in the NW/4SW/4 of Section 18 (Lot 3). The Hollywood Star 17-18 Fee 802H Well is the proximity well positioned so the unit can include proximity tracts, thereby allowing for the larger standard spacing unit.
- Alpha proposes the Hollywood Star 17-18 Fee 803H Well to be horizontally drilled from a surface location in the SE/4NE/4 (Unit H) of Section 17 to a bottom hole location in the SW/4NW/4 (Lot 2) of Section 18.
- 10. All the wells proposed herein are orthodox in their location, and the take points and completed intervals comply with setback requirements under the special rules for the Purple Sage, Wolfcamp pool, pursuant to Order No. R-14262.

- 11. Alpha's review of records did not show any overlapping units.
- 12. Alpha has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for their development within the proposed HSU.
- 13. The pooling of all interests in the Wolfcamp formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.
- 14. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Devon requests that all uncommitted interests in this HSU be pooled and that Alpha be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Alpha requests that this Application be set for hearing on November 7, 2024, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying a standard 1267.84-acres, more or less, horizontal spacing unit comprised of Sections 17 and 18 in Township 22 South, Range 27 East, Eddy County, New Mexico;
- B. Approving the Hollywood Star 17-18 Fee 701H; Hollywood Star 17-18 Fee 702H; Hollywood Star 17-18 Fee 703H; Hollywood Star 17-18 Fee 704H; Hollywood Star 17-18 Fee 801H; Hollywood Star 17-18 Fee 802H; and the Hollywood Star 17-18 Fee 803H as the wells for the HSU;
- C. Designating Alpha as operator of this HSU and the horizontal wells to be drilled thereon;
- D. Authorizing Alpha to recover its costs of drilling, equipping, and completing the wells;

- E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Setting a 200% charge for the risk assumed by Alpha in drilling and completing the wells in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage
Darin C. Savage

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, LLC

Application of Alpha Energy Partners, LLC, for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Wolfcamp formation, designated as a gas pool, underlying a standard 1267.84-acre, more or less, horizontal spacing and proration unit comprised of the Sections 17 and 18 in Township 22 South, Range 27 East, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the Hollywood Star 17-18 Fee 701H Well to be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 17 to a bottom hole location in the SW/4SW/4 (Lot 4) of Section 18; the Hollywood Star 17-18 Fee 702H Well to be horizontally drilled from a surface location in the NE/4SE/4 (Unit I) of Section 17 to a bottom hole location in the NW/4SW/4 (Lot 3) of Section 18; the Hollywood Star 17-18 Fee 703H Well to be horizontally drilled from a surface location in the SE/4NE/4 (Unit H) of Section 17 to a bottom hole location in the SW/4NW/4 (Lot 2) of Section 18; the Hollywood Star 17-18 Fee 704H Well to be horizontally drilled from a surface location in the NE/4NE/4 (Unit A) of Section 17 to a bottom hole location in the NW/4NW/4 (Lot 1) of Section 18; the Hollywood Star 17-18 Fee 801H Well to be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 17 to a bottom hole location in the SW/4SW/4 (Lot 4) of Section 18; the Hollywood Star 17-18 Fee 802H Well to be horizontally drilled from a surface location in the NE/4SE/4 (Unit I) of Section 17 to a bottom hole location in the NW/4SW/4 of Section 18 (Lot 3); and the Hollywood Star 17-18 Fee 803H Well to be horizontally drilled from a surface location in the SE/4NE/4 (Unit H) of Section 17 to a bottom hole location in the SW/4NW/4 (Lot 2) of Section 18. The 802H Well is the proximity well, and proximity tracts will be utilized. All the proposed wells will be orthodox, and their take points and completed intervals will comply with the special rules for the Purple Sage, Wolfcamp pool pursuant to Order No. R-14262. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 1.5 miles south-southeast from the center of Carlsbad.

case, you can visit the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. Mountain Time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact John Coffman at (432) 219-8812 or at john@alphapermian.com.

Sincerely,

Darin C. Savage

Attorney for Alpha Energy Partners, LLC

- · Restricted audit and transparency rights;
- · Shifted liability and title risk to non-operating mineral owners; and
- · Operator-controlled marketing provisions.

These terms disproportionately burden the mineral owner and convert compulate a tool of economic coercion rather than fair integration.

Such terms fail the statutory requirement that pooling arrangements be fair, reprotective of correlative rights.

EXMIBIT E-CONTINUED

. COMPARATIVE FAIRNESS ANALYSIS

When compared to standard industry practices and the unmodified 1989 AAF proposed terms materially deviate from reasonable norms.

Industry-standard agreements preserve:

- · Meaningful audit rights;
- · Balanced cost allocation;
- · Reasonable non-consent penalties;
- · Clear liability boundaries; and
- · Protection against affiliate abuse.

EXHIBIT F.— DE NOVO ARGUMENT (TRESPASS + UNFAIR POOLING + STATUTORY VIOLATIONS)

I. INTRODUCTION

This Exhibit provides a consolidated de novo argument showing that Alpha Energy Partners II, LLC and Permium Asset Company pursued a pooling proposal that places unlawful burdens on the Anderson property, violates statutory standards, and attempts to authorize operations that amount to anticipatory trespass. The application fails to satisfy the requirements of NMSA § 70-2-17 and should not be approved.

II. ANTICIPATORY TRESPASS & PROPERTY RIGHTS

The Operator has planned drilling operations, well paths, and development activity that would reach under, across, or directly affect the Anderson property without any lawful agreement.

New Mexico law recognizes anticipatory trespass when an operator intends to carry out physical or subsurface activity on private land before it has secured the necessary rights.

Alpha and Permium do not possess a voluntary agreement, a lawful easement, or a validly issued pooling order consistent with statutory requirements. Attempting to move forward without these rights constitutes unlawful encroachment upon the Andersons' property.

III. UNFAIR AND IMPROPER POOLING TERMS

The pooling proposal cannot be approved because it imposes unreasonable and excessive burdens on the Andersons, including inflated overhead, expanded operator authority, restricted audit rights, weakened insurance protections, and operator controlled marketing. Pooling must be fair, equitable, and protective of all owners.

IV. FAILURE TO MEET REQUIREMENTS OF NMSA § 70-2-17

The Operator has not shown that its proposal is equitable, protective of correlative rights, or free of undue burden. No pooling order may be granted where the burdens outweigh protections or where private property would be subjected to intrusive obligations without lawful justification.

V. CONCLUSION

The Andersons respectfully request denial of the pooling application and recognition that the proposed operations would result in trespass absent lawfully acquired rights.

IHESE ATTachment'S TO EXIBIT: F. P.O. Box 10701, Midland, Texas 79702 April 22, 2025 THIS Paper WORK Bobby W. Anderson 1301 Forest Ave Pasadena, CA 91103 EXIBT'S A,B,C,D,E
COVER'S A,B,C,D,E
THIS was sent BY ALPHA. Re: Hollywood Star Fee Well Proposals Hollywood Star 17-18 Fee Com 503H Hollywood Star 17-18 Fee Com 553H

S2N2 of Section 17 and Section 18 of Township 22 South, Range 27 East, Eddy County, New Mexico.

To Whom it May Concern, A!PHA ENERGY PartNERS II, LLC (AEP 11) HAVE NO PERMISSION TO DO ANY OPERATIONS OF PRODUCTION OF PRODUCING ANY OIL BY DRILLING

Alpha Energy Partners II, LLC ("AEP II"), on behalf of Paloma Permian AssetCo ("Paloma"), as Operator, hereby proposes the drilling of the following wells located within Section 17, Township 22 South, Range 27 East and Section 18, Township 22 South, Range 27 East, to the Bone Spring Formations:

WELL NAME	SHL	BHL	FTP	LTP	TVD	TMD	FORMATION
	2,432' FSL & 372'	1,980' FNL &	1,980' FNL &	1,980' FNL &			
Hollywood Star Fee 17-18	FWL of	50' FWL of	100' FEL of	100' FWL			
503H	16-22S-27E	18-22S-27E	17-22S-27E	18-22S-27E	7,140'	17,400'	2 nd Bone Spring
	2,394' FSL & 372'	1,980' FNL &	1,980' FNL &	1,980' FNL &	,	17,100	2 Done Spring
Hollywood Star Fee 17-18	FWL of 16-22S-	50' FWL of	100' FEL of	100' FWL			
553H	27E	18-22S-27E	17-22S-27E	18-22S-27E	7,860'	18,150'	2rd Dono Corto-
NO YOU DAY	ST HAVE P	00 m15610	n La b	a ala Aid	1.46	10,100	3rd Bone Spring

AEP II reserves the right to modify the locations and drilling plans described above in order to address The Lekingson to be hoffelle on the brokenty. topography, cultural or environmental concerns, among other reasons. AEP II will advise you of any such modifications.

NO 1984 ARPL FORM OF PERATING A Steenhent under the terms of any modified

AEP II is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement which will promptly be provided upon request. The Operating Agreement dated May 1, 2024, by and between Paloma Permian AssetCo, as Operator and covers Section 17 and Section 18 of Township 22 South, Range 27 East, Eddy County, New Mexico, and has the following general provisions: (JOA will be supplied upon request/participation)

100/300/300 Non-consenting penalty

\$10,000/\$1,000 Drilling and Producing rate

Paloma Permian AssetCo, LLC named as Operator

THIS OFFER 15 UNEXCEPTABLE

If you do not wish to participate in the Operation, AEP would like to discuss the Leasing or Purchase of your mineral interest to AEP under the following terms:

Lease:

- \$6,000/acre lease bonus;
- 1/4th royalty rate;
- 3 year primary term, with 2 year option to extend, Paid Up;

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DAMage To THE PERENTY OR

We Would like to reach an agreement and not have to keep going ing .
the interest of the NEW MENICO OIL CONSERVATION GIVISION FOR COMPULSORY POBling .

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, AEP II will apply to the New Mexico Oil Conservations Division for compulsory pooling of your interest into a

THE PROPERTY and CENTRE SELENCE FOR SINE. THE land in 18 not FOR SINE.

If you do not wish to lease or sell your mineral interest, please indicate your participation elections in the spaces provided below, sign, and return (1) copy of this latter indicate your participation elections in the spaces provided below, sign, and return (1) copy of this letter along with a signed copy of the enclosed AFEs and a copy of your geologic requirements to my attention at the letterhead address or by email at john@alphapermian.com. Thank you for your time and consideration, feel free to reach out if you have any questions.

Re:

Hollywood Star Fee Well Proposals Hollywood Star 17-18 Fee Com 503H Hollywood Star 17-18 Fee Com 553H

S2N2 of Section 17 and Section 18 of Township 22 South, Range 27 East, Eddy County, New Mexico.

To Whom it May Concern, AIPHA ENERGY Partners II, LLC (AEP II) HAVE NE to DO ANY OPERATIONS OF PRODUCTION OF PRODUCTION

Alpha Energy Partners II, LLC ("AEP II"), on behalf of Paloma Permian AssetCo ("Paloma"), as Operator, hereby proposes the drilling of the following wells located within Section 17, Township 22 South, Range 27 East and Section 18, Township 22 South, Range 27 East, to the Bone Spring Formations:

WELL NAME	SHL	BHL	FTP	LTP	TVD	TMD	FORMATION
VV LLE TEPATETE	2,432' FSL & 372'	1,980' FNL &	1,980' FNL &	1,980' FNL &		34 6	
Hollywood Star Fee 17-18	FWL of	50' FWL of	100' FEL of	100' FWL		1 1	3
503H	16-22S-27E	18-22S-27E	17-22S-27E	18-22S-27E	7,140'	17,400'	2 nd Bone Spring
	2,394' FSL & 372'	1,980' FNL &	1,980' FNL &	1,980' FNL &			
Hollywood Star Fee 17-18	FWL of 16-22S-	50' FWL of	100' FEL of	100' FWL			1
553H	27E	18-22S-27E	17-22S-27E	18-22S-27E	7,860'	18,150'	3rd Bonie Spring

No you have Permission to be Nothing on the property.

AEP II reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. AEP II will advise you of any such modifications.

No you port have permission to do ANYthing under the terms of any modified AEP II is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement which will promptly be provided upon request. The Operating Agreement dated May 1, 2024, by and between Paloma Permian AssetCo, as Operator and covers Section 17 and Section 18 of Township 22 South, Range 27 East, Eddy County, New Mexico, and has the following general provisions: (JOA will be supplied upon request/participation) Lille Anderson and Warner Anderson
Dont except this operating agreement.

100/300/300 Non-consenting penalty

\$10,000/\$1,000 Drilling and Producing rate

Paloma Permian AssetCo, LLC named as Operator

THIS OFFER IS UNEXCEPTABLE

If you do not wish to participate in the Operation, AEP would like to discuss the Leasing or Purchase of your mineral interest to AEP under the following terms:

TARRA!

1415 Will Cause Emenose DAMage To THE PERENTY OR

We Would like to reach an agreement and not have to keep going ing .

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, AEP II will apply to the New Mexico Oil Conservations Division for compulsory pooling of your interest into a horizontal spacing unit for the proposed wells.

THE PROPERTY and Configuration of the land of the land of is not For sufe.

If you do not wish to lease or sell your mineral interest, please indicate your participation elections in the spaces provided below, sign, and return (1) copy of this letteral discrete your participation elections in the spaces provided below, sign, and return (1) copy of this letter along with a signed copy of the enclosed AFEs and a copy of your geologic requirements to my attention at the letterhead address or by email at john@alphapermian.com. Thank you for your time and consideration, feel free to reach out if you have any questions.

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Alpha Energy Partners II, LLC ("AEP II"), on behalf of Paloma Permian AssetCo ("Paloma"), as Operator, hereby proposes the drilling of the following wells located within Section 17, Township 22 South, Range 27 East and Section 18, Township 22 South, Range 27 East, to the Bone Spring Formations:

WELL NAME	SHL	BHL	FTP	LTP	TVD	TMD	FORMATION
	2,432' FSL & 372'	1,980' FNL &	1,980' FNL &	1,980' FNL &		37 6	
Hollywood Star Fee 17-18	FWL of	50' FWL of	100' FEL of	100' FWL		1 3 3	
503H	16-22S-27E	18-22S-27E	17-22S-27E	18-22S-27E	7,140'	17,400'	2 nd Bone Spring
	2,394' FSL & 372'	1,980' FNL &	1,980' FNL &	1,980' FNL &			
Hollywood Star Fee 17-18	FWL of 16-22S-	50' FWL of	100' FEL of	100' FWL	15%		1
553H	27E	18-22S-27E	17-22S-27E	18-22S-27E	7,860'	18,150'	3rd Bonie Spring

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Dont except this operating agreement. 100/300/300 Non-consenting penalty

\$10,000/\$1,000 Drilling and Producing rate

Paloma Permian AssetCo, LLC named as Operator

THIS OFFER IS UNEXCEPTABLE

If you do not wish to participate in the Operation, AEP would like to discuss the Leasing or Purchase of your mineral interest to AEP under the following terms:

Page.

32 of 39

	We Would Like to come to a Feusible
	I/We hereby elect to participate in Hollywood Star 17-18 Fee 503H I/We hereby elect not to participate in Hollywood Star 17-18 Fee 503H
	I/We hereby elect to participate in Hollywood Star 17-18 Fee 553H I/We hereby elect not to participate in Hollywood Star 17-18 Fee 553H
Name/Company:	
By:	
Title:	

Received by OCD: 12/16/2025

Date:

EXHIBIT F - CONTINUED

SERIAL FILINGS AND PROCEDURAL PRESSURE

Paloma's filing of Case 25-700 following Case 25-496 evidences a strategy of procedu pressure rather than lawful negotiation.

Instead of addressing substantive objections raised in the earlier case, Palor filed subsequent applications with minor adjustments while preserving the same unfair st

This pattern suggests an intent to:

- · Exhaust landowner resources;
- Greate procedural fatigue; and
 - · Obtain approval through repetition rather than merit.

Such tactics undermine due process and should weigh heavily against approval.

EXHIBIT G

SURFACE AND LAND-USE INTERFERENCE

Proposed operations interfere with the Andersons' reasonable surface use, includiability to place a residence on the property.

This interference is not speculative. It is a direct consequence of the location, sco

EXHIBIT F.— DE NOVO ARGUMENT (TRESPASS + UNFAIR POOLING + STATUTORY VIOLATIONS)

I. INTRODUCTION

This Exhibit provides a consolidated de novo argument showing that Alpha Energy Partners II, LLC and Permium Asset Company pursued a pooling proposal that places unlawful burdens on the Anderson property, violates statutory standards, and attempts to authorize operations that amount to anticipatory trespass. The application fails to satisfy the requirements of NMSA § 70-2-17 and should not be approved.

II. ANTICIPATORY TRESPASS & PROPERTY RIGHTS

The Operator has planned drilling operations, well paths, and development activity that would reach under, across, or directly affect the Anderson property without any lawful agreement. New Mexico law recognizes anticipatory trespass when an operator intends to carry out physical or subsurface activity on private land before it has secured the necessary rights.

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The pooling proposal cannot be approved because it imposes unreasonable and excessive burdens on the Andersons, including inflated overhead, expanded operator authority, restricted audit rights, weakened insurance protections, and operator controlled marketing. Pooling must be fair, equitable, and protective of all owners.

IV. FAILURE TO MEET REQUIREMENTS OF NMSA § 70-2-17

The Operator has not shown that its proposal is equitable, protective of correlative rights, or free of undue burden. No pooling order may be granted where the burdens outweigh protections or where private property would be subjected to intrusive obligations without lawful justification.

V. CONCLUSION

The Andersons respectfully request denial of the pooling application and recognition that the proposed operations would result in trespass absent lawfully acquired rights.

IHESE ATTachment'S TO EXIBIT: F. P.O. Box 10701, Midland, Texas 79702 April 22, 2025 THIS Paper WORK Bobby W. Anderson 1301 Forest Ave Pasadena, CA 91103 EXIBT'S A,B,C,D,E
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Mexico.

Hollywood Star Fee Well Proposals Hollywood Star 17-18 Fee Com 503H Hollywood Star 17-18 Fee Com 553H

S2N2 of Section 17 and Section 18 of Township 22 South, Range 27 East, Eddy County, New

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Alpha Energy Partners II, LLC ("AEP II"), on behalf of Paloma Permian AssetCo ("Paloma"), as Operator, hereby proposes the drilling of the following wells located within Section 17, Township 22 South, Range 27 East and Section 18, Township 22 South, Range 27 East, to the Bone Spring Formations:

WELL NAME	SHL	BHL	FTP	LTP	TVD	TMD	FORMATION
VVELL INPUTE	2,432' FSL & 372'	1,980' FNL &	1,980' FNL &	1,980' FNL &		34	
Hollywood Star Fee 17-18	FWL of	50' FWL of	100' FEL of	100' FWL		1	
503H	16-22S-27E	18-22S-27E	17-22S-27E	18-22S-27E	7,140'	17,400′	2 nd Bone Spring
	2,394' FSL & 372'	1,980' FNL &	1,980' FNL &	1,980' FNL &		2	
Hollywood Star Fee 17-18	FWL of 16-22S-	50' FWL of	100' FEL of	100' FWL			17
553H	27E	18-22S-27E	17-22S-27E	18-22S-27E	7,860'	18,150	3rd Bone Spring

No you have Permission to be Nothing on the Property.

AEP II reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. AEP II will advise you of any such modifications.

No you port have permission to do ANYthing under the terms of any modified AEP II is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement which will promptly be provided upon request. The Operating Agreement dated May 1, 2024, by and between Paloma Permian AssetCo, as Operator and covers Section 17 and Section 18 of Township 22 South, Range 27 East, Eddy County, New Mexico, and has the following general provisions: (JOA will be supplied upon request/participation) Lille Anderson and Warner Anderson
Dont except this operating agreement.

100/300/300 Non-consenting penalty

\$10,000/\$1,000 Drilling and Producing rate

Paloma Permian AssetCo, LLC named as Operator

THIS OFFER IS UNEXCEPTABLE

If you do not wish to participate in the Operation, AEP would like to discuss the Leasing or Purchase of your mineral interest to AEP under the following terms:

TARRA!

1415 Will Cause Emenose DAMage To THE PERENTY OR

We Would like to reach an agreement and not have to keep going ing .

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, AEP II will apply to the New Mexico Oil Conservations Division for compulsory pooling of your interest into a horizontal spacing unit for the proposed wells.

THE PROPERTY and Configuration of the land of the land of is not For sufe.

If you do not wish to lease or sell your mineral interest, please indicate your participation elections in the spaces provided below, sign, and return (1) copy of this letteral discrete your participation elections in the spaces provided below, sign, and return (1) copy of this letter along with a signed copy of the enclosed AFEs and a copy of your geologic requirements to my attention at the letterhead address or by email at john@alphapermian.com. Thank you for your time and consideration, feel free to reach out if you have

any questions.

Re:

Hollywood Star Fee Well Proposals Hollywood Star 17-18 Fee Com 503H Hollywood Star 17-18 Fee Com 553H

S2N2 of Section 17 and Section 18 of Township 22 South, Range 27 East, Eddy County, New Mexico.

To Whom it May Concern, AIPHA ENERGY Partners II, LLC (AEP II) HAVE NO FO DO ANY OPERATIONS OF PRODUCTION OF PRODUCTION

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	We Would Like to come to a Feusible
	I/We hereby elect to participate in Hollywood Star 17-18 Fee 503H I/We hereby elect not to participate in Hollywood Star 17-18 Fee 503H
	I/We hereby elect to participate in Hollywood Star 17-18 Fee 553H I/We hereby elect not to participate in Hollywood Star 17-18 Fee 553H
Name/Company:	
By:	
Title:	

Received by OCD: 12/16/2025

Date:

EXHIBIT F - CONTINUED

SERIAL FILINGS AND PROCEDURAL PRESSURE

Paloma's filing of Case 25-700 following Case 25-496 evidences a strategy of procedu pressure rather than lawful negotiation.

Instead of addressing substantive objections raised in the earlier case, Palor filed subsequent applications with minor adjustments while preserving the same unfair st

This pattern suggests an intent to:

- · Exhaust landowner resources;
- Greate procedural fatigue; and
 - · Obtain approval through repetition rather than merit.

Such tactics undermine due process and should weigh heavily against approval.

EXHIBIT G

SURFACE AND LAND-USE INTERFERENCE

Proposed operations interfere with the Andersons' reasonable surface use, includiability to place a residence on the property.

This interference is not speculative. It is a direct consequence of the location, sco