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- Examiner-friendly layout
- Court-ready structure

Written-Out Exhibits (Readable, Citable)

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- 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:

Warren Anderson and Lillie (Lily) Anderson

EXHIBIT A - *continued*

MINERAL OWNERSHIP AND STANDING

Warren Anderson and Lillie (Lily) Anderson are lawful owners of mineral interests in Eddy County, New Mexico, within the spacing and pooling units identified in OCS 25-496 and 25-700.

Their ownership establishes standing under the New Mexico Oil and Gas Act to bring them to all statutory and constitutional protections afforded to mineral owners in compulsory pooling proceedings.

As mineral owners, the Andersons possess legally protected interests, including but not limited to:

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

Revised by OGD 12/16/2025

PALOMA PERMIAN

place with EXIBIT: A 19-1

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

I Just Received
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") hereby 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
Hollywood Star 17-18 Fee 701H	1651' FSL & 180' FWL 16-22S-27E	724' FSL & 330' FEL 17-22S-27E	724' FSL & 330' FWL 18-22S-27E	724' FSL & 200' FWL 18-22S-27E	8809'	WOLFCAMP
Hollywood Star 17-18 Fee 702H	1671' FSL & 180' FWL 16-22S-27E	2024' FSL & 330' FEL 17-22S-27E	2024' FSL & 330' FWL 18-22S-27E	2024' FSL & 200' FWL 18-22S-27E	8809'	WOLFCAMP
Hollywood Star 17-18 Fee 703H	2421' FSL & 180' FWL 16-22S-27E	1960' FNL & 330' FEL 17-22S-27E	1960' FNL & 330' FWL 18-22S-27E	1960' FNL & 200' FWL 18-22S-27E	8809'	WOLFCAMP
Hollywood Star 17-18 Fee 704H	2441' FSL & 180' FWL 16-22S-27E	660' FNL & 330' FEL 17-22S-27E	660' FNL & 330' FWL 18-22S-27E	660' FNL & 200' FWL 18-22S-27E	8809'	WOLFCAMP
Hollywood Star 17-18 Fee 801H	1691' FSL & 180' FWL 16-22S-27E	1374' FSL & 330' FEL 17-22S-27E	1374' FSL & 330' FWL 18-22S-27E	1374' FSL & 200' FWL 18-22S-27E	9402'	WOLFCAMP
Hollywood Star 17-18 Fee 802H	1711' FSL & 180' FWL 16-22S-27E	2610' FNL & 330' FEL 17-22S-27E	2610' FNL & 330' FWL 17-22S-27E	2610' FNL & 200' FWL 18-22S-27E	9402'	WOLFCAMP
Hollywood Star 17-18 Fee 803H	2401' FSL & 180' FWL 16-22S-27E	1310' FNL & 330' FEL 17-22S-27E	1310' FNL & 330' FWL 18-22S-27E	1310' FNL & 200' 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.

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,

Pilar Garcia

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. Anderson

Company: _____

By: _____

Name: _____

Title: _____

AUTHORITY FOR EXPENDITURE
WELL COST ESTIMATE

		AFE # TBD		0	0		DATE 10/11/2024
WELL NAME & NUMBER Hollywood Star Fee 17-18 701H		PROPOSED DEPTH (ft) 19,150	PROJECT Alpha				PROSPECT UWC
OPERATOR Paloma Permian AssetCo, LLC		COUNTY OR PARISH Eddy	STATE NM	LEGAL LOCATION (SEC / TOWNSHIP / RANGE) 17 18 22S27E			
OBJECTIVE: 10000' Lateral - 7 well pad							
REMARKS: <u>Drilling</u> 4 UWC & 3 LWC - 7 well pad & 1 Facility Pad <u>Completions</u> 60 Stages - Plug & Perf <u>Production</u> 2 7/8 in Tubing with Gas Lift Valves							

INTANGIBLES	DRILLING		COMPLETION		FACILITIES		TOTAL
	CODE	\$	CODE	\$	CODE	\$	
DRILLING RIG - TURNKEY	310/1	-					
DRILLING RIG - DAY WORK 19 days	310/3	630,000					
COMPLETION RIG (WORKOVER / CTU / SNUBBING)			410/1	230,000			
RIG MOBILIZATION & DEMOBILIZATION	310/4	27,000					
LAND & LEGAL (Land Brokerage, Title, Etc.)	310/5	285,714	410/6	5,000			
SURFACE USE AGREEMENT (SUA Payment)	310/5.5	165,000					
PERMITS	310/6	14,286	410/6	5,000			
SITE COSTS	310/7	185,000	410/8	-			
DRILLING FLUID (Mud, Water, Completion Fluid & Equipment Rentals)	310/11	146,500	410/10	-			
FUEL & POWER	310/15	210,000	410/11	-			
CEMENTING (Cement, Cementing Services & Cementing Equipment)	310/17	245,000	410/13	-			
DRILL BITS	310/20	62,500					
DOWNHOLE RENTALS	310/22	108,250	410/18	81,750			
SURFACE RENTALS	310/23	69,500	410/19	213,750	510/6	11,429	
FLOWBACK RENTALS			410/20	75,700			
GEOLOGIC EVALUATION	310/26	14,400					
CASED HOLE LOGGING & PERFORATING			410/21	355,000			
FORMATION STIMULATION			411/1	2,815,500			
WATER	310/12	16,700	411/2	570,000			
TRANSPORTATION	310/16	14,500	410/25	20,000			
DIRECTIONAL DRILLING SERVICES	310/35	271,500					
CASING (OR TUBING) CREWS & EQUIPMENT	310/38	90,000	410/27	15,000			
TUBULAR SERVICES (Cleaning, Inspection & Testing)	310/39	28,000	410/28	7,500			
LABOR & MISCELLANEOUS SERVICES	310/40	159,000	410/30	22,500	510/1	65,985	
INSURANCE	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	
INSTALL PRODUCTION FACILITY			410/43	-	510/2	122,731	
ADMINISTRATIVE OVERHEAD	310/45	10,000	410/36	5,000			
ABANDONMENT EXPENSE	310/46	-	410/37	-			
FLUID DISPOSAL	310/32	173,250	410/44	50,000			
MISCELLANEOUS COSTS & CONTINGENCIES (5%)	310/47	457,689	410/38	703,005	510/9	11,536	
TOTAL INTANGIBLES		\$ 3,508,949		\$ 5,369,705		\$ 242,252	\$ 9,120,906

TANGIBLES							DRILLING		COMPLETION		FACILITIES		TOTAL
CASING	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	\$/FT	CODE	\$	CODE	\$	CODE	\$	
DRIVE PIPE	-	-	-	-	-	-	312/1	-					
CONDUCTOR	80	20	-	-	-	60	312/2	4,800					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					157,500
DRILLING LINER	-	-	-	-	-	-	312/5	-					
PRODUCTION	19,150	5 1/2	20	P110ICY	TXP	23	312/9	440,450					440,450
PRODUCTION LINER	-	-	-	-	-	-	312/10	-					
TUBING	9,350	2 7/8	6.50	L-80	8rd EUE	\$ 6			312/11	48,675			48,675
WELLHEAD EQUIPMENT							312/6	65,000	412/43	45,000			110,000
SUBSURFACE EQUIPMENT (Packers, Tubing Anchors, Etc.)									412/45	-			
PRODUCTION EQUIPMENT (Tanks, Separators, Heaters, Dehydrators, Meters, Etc.)									312/8	-	512/4	469,261	469,261
ARTIFICIAL LIFT EQUIPMENT (Pumping Unit, Rods, Rod Pump, Etc.)									412/52	25,000			25,000
FLOWLINES & PIPELINES & UTILITY (Including Rights-Of-Way)									412/53	-	512/5	10,000	10,000
MISCELLANEOUS WELL EQUIPMENT									412/57	-	512/7	-	
TOTAL TANGIBLES								\$ 687,750		\$ 118,675		\$ 479,261	\$ 1,285,686

TOTAL WELL COSTS	DRILLING \$ 4,196,699	COMPLETION \$ 5,488,380	FACILITIES \$ 721,513	TOTAL \$ 10,406,658
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Prepared by:	Lelan Anders	VP - Operations
Approved by:	Lelan Anders	VP - Operations

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AUTHORITY FOR EXPENDITURE
WELL COST ESTIMATE

		AFE # TBD		0	0		DATE 10/11/2024
WELL NAME & NUMBER Hollywood Star Fee 17-18 702H		PROPOSED DEPTH (ft) 19,150	PROJECT Alpha				PROSPECT UWC
OPERATOR Paloma Permian AssetCo, LLC		COUNTY OR PARISH Eddy	STATE NM	LEGAL LOCATION 17_18_22S27E	(SEC / TOWNSHIP / RANGE)		
OBJECTIVE: 10000' Lateral - 7 well pad							
REMARKS: <u>Drilling</u> 4 UWC & 3 LWC - 7 well pad & 1 Facility Pad <u>Completions</u> 60 Stages - Plug & Perf <u>Production</u> 2 7/8 in Tubing with Gas Lift Valves							

INTANGIBLES	DRILLING		COMPLETION		FACILITIES		TOTAL
	CODE	\$	CODE	\$	CODE	\$	
DRILLING RIG - TURNKEY	310/1	-					-
DRILLING RIG - DAY WORK 19 days	310/3	630,000					630,000
COMPLETION RIG (WORKOVER / GTU / SNUBBING)			410/1	230,000			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					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					14,400
CASED HOLE LOGGING & PERFORATING			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					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	-	510/2	122,731	122,731
ADMINISTRATIVE OVERHEAD	310/45	10,000	410/36	5,000			15,000
ABANDONMENT EXPENSE	310/46	-	410/37	-			-
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	1,172,230
TOTAL INTANGIBLES		\$ 3,508,949		\$ 5,369,705		\$ 242,252	\$ 9,120,905

TANGIBLES							DRILLING		COMPLETION		FACILITIES		TOTAL
CASING	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	\$/FT	CODE	\$	CODE	\$	CODE	\$	
DRIVE PIPE	-	-	-	-	-	-	312/1	-					-
CONDUCTOR	80	20	-	-	-	60	312/2	4,800					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					157,500
DRILLING LINER	-	-	-	-	-	-	312/5	-					-
PRODUCTION	19,150	5 1/2	20	P110ICY	TXP	23	312/9	440,450					440,450
PRODUCTION LINER	-	-	-	-	-	-	312/10	-					-
TUBING	9,350	2 7/8	6.50	L-80	8rd EUE	\$ 6			312/11	48,675			48,675
WELLHEAD EQUIPMENT							312/6	65,000	412/43	45,000			110,000
SUBSURFACE EQUIPMENT (Packers, Tubing Anchors, Etc.)									412/45	-			-
PRODUCTION EQUIPMENT (Tanks, Separators, Heaters, Dehydrators, Meters, Etc.)									312/8	-	512/4	469,261	469,261
ARTIFICIAL LIFT EQUIPMENT (Pumping Unit, Rods, Rod Pump, Etc.)									412/52	25,000			25,000
FLOWLINES & PIPELINES & UTILITY (Including Rights-Of-Way)									412/53	-	512/5	10,000	10,000
MISCELLANEOUS WELL EQUIPMENT									412/57	-	512/7	-	-
TOTAL TANGIBLES								\$ 687,750		\$ 118,675		\$ 479,261	\$ 1,285,686

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	VP - Operations

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AUTHORITY FOR EXPENDITURE
WELL COST ESTIMATE

		AFE # TBD		0	0		DATE 10/11/2024
WELL NAME & NUMBER Hollywood Star Fee 17-18 703H		PROPOSED DEPTH (ft) 19,150	PROJECT Alpha				PROSPECT UWC
OPERATOR Paloma Permian AssetCo, LLC		COUNTY OR PARISH Eddy	STATE NM	LEGAL LOCATION (SEC / TOWNSHIP / RANGE) 17_18_22S27E			
OBJECTIVE: 10000' Lateral - 7 well pad							
REMARKS: <u>Drilling</u> 4 UWC & 3 LWC - 7 well pad & 1 Facility Pad <u>Completions</u> 60 Stages - Plug & Perf <u>Production</u> 2 7/8 in Tubing with Gas Lift Valves							

INTANGIBLES	DRILLING		COMPLETION		FACILITIES		TOTAL
	CODE	\$	CODE	\$	CODE	\$	
DRILLING RIG - TURNKEY	310/1	-					630,000
DRILLING RIG - DAY WORK 19 days	310/3	630,000					230,000
COMPLETION RIG (WORKOVER / CTU / SNUBBING)			410/1	230,000			27,000
RIG MOBILIZATION & DEMOBILIZATION	310/4	27,000					290,714
LAND & LEGAL (Land Brokerage, Title, Etc.)	310/5	285,714	410/6	5,000			165,000
SURFACE USE AGREEMENT (SUA Payment)	310/5.5	165,000					19,286
PERMITS	310/6	14,286	410/6	5,000			185,000
SITE COSTS	310/7	185,000	410/8	-			146,500
DRILLING FLUID (Mud, Water, Completion Fluid & Equipment Rentals)	310/11	146,500	410/10	-			210,000
FUEL & POWER	310/15	210,000	410/11	-			245,000
CEMENTING (Cement, Cementing Services & Cementing Equipment)	310/17	245,000	410/13	-			62,500
DRILL BITS	310/20	62,500					190,000
DOWNHOLE RENTALS	310/22	108,250	410/18	81,750			294,679
SURFACE RENTALS	310/23	69,500	410/19	213,750	510/6	11,429	75,700
FLOWBACK RENTALS			410/20	75,700			14,400
GEOLOGIC EVALUATION	310/26	14,400					355,000
CASED HOLE LOGGING & PERFORATING			410/21	355,000			2,815,500
FORMATION STIMULATION			411/1	2,815,500			586,700
WATER	310/12	16,700	411/2	570,000			34,500
TRANSPORTATION	310/16	14,500	410/25	20,000			271,500
DIRECTIONAL DRILLING SERVICES	310/35	271,500					105,000
CASING (OR TUBING) CREWS & EQUIPMENT	310/38	90,000	410/27	15,000			35,500
TUBULAR SERVICES (Cleaning, Inspection & Testing)	310/39	28,000	410/28	7,500			247,485
LABOR & MISCELLANEOUS SERVICES	310/40	159,000	410/30	22,500	510/1	65,985	7,660
INSURANCE	310/21	7,660					15,000
OFFICE SUPERVISION	310/43	10,000	410/34	5,000			328,071
FIELD SUPERVISION / CONTRACT ENGINEERING	310/44	107,500	410/35	190,000	510/3	30,571	122,731
INSTALL PRODUCTION FACILITY			410/43	-	510/2	122,731	15,000
ADMINISTRATIVE OVERHEAD	310/45	10,000	410/36	5,000			-
ABANDONMENT EXPENSE	310/46	-	410/37	-			223,250
FLUID DISPOSAL	310/32	173,250	410/44	50,000			1,172,230
MISCELLANEOUS COSTS & CONTINGENCIES (5%)	310/47	457,689	410/38	703,005	510/9	11,536	
TOTAL INTANGIBLES		\$ 3,508,949		\$ 5,369,705		\$ 242,252	\$ 9,120,905

TANGIBLES							DRILLING		COMPLETION		FACILITIES		TOTAL
CASING	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	\$/FT	CODE	\$	CODE	\$	CODE	\$	
DRIVE PIPE	-	-	-	-	-	-	312/1	-					-
CONDUCTOR	80	20	-	-	-	60	312/2	4,800					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					157,500
DRILLING LINER	-	-	-	-	-	-	312/5	-					-
PRODUCTION	19,150	5 1/2	20	P110ICY	TXP	23	312/9	440,450					440,450
PRODUCTION LINER	-	-	-	-	-	-	312/10	-					-
TUBING	9,350	2 7/8	6.50	L-80	8rd EUE	\$ 6			312/11	48,675			48,675
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TOTAL TANGIBLES								\$ 687,750		\$ 118,675		\$ 479,261	\$ 1,285,686

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	VP - Operations

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AUTHORITY FOR EXPENDITURE
WELL COST ESTIMATE

		AFE #				DATE	
		TBD		0		10/11/2024	
WELL NAME & NUMBER		PROPOSED DEPTH (ft)	PROJECT				PROSPECT
Hollywood Star Fee 17-18 704H		19,150	Alpha				UWC
OPERATOR		COUNTY OR PARISH	STATE	LEGAL LOCATION (SEC / TOWNSHIP / RANGE)			
Paloma Permian AssetCo, LLC		Eddy	NM	17_18_22S27E			
OBJECTIVE: 10000' Lateral - 7 well pad							
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COMPLETION RIG (WORKOVER / CTU / SNUBBING)			410/1	230,000			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
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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					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					14,400
CASED HOLE LOGGING & PERFORATING			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					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	-	510/2	122,731	122,731
ADMINISTRATIVE OVERHEAD	310/45	10,000	410/36	5,000			15,000
ABANDONMENT EXPENSE	310/46	-	410/37	-			-
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	1,172,230
TOTAL INTANGIBLES		\$ 3,508,949		\$ 5,369,705		\$ 242,252	\$ 9,120,905

TANGIBLES							DRILLING		COMPLETION		FACILITIES		TOTAL
CASING	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	\$/FT	CODE	\$	CODE	\$	CODE	\$	
DRIVE PIPE	-	-	-	-	-	-	312/1	-					-
CONDUCTOR	80	20	-	-	-	60	312/2	4,800					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					157,500
DRILLING LINER	-	-	-	-	-	-	312/5	-					-
PRODUCTION	19,150	5 1/2	20	P110ICY	TXP	23	312/9	440,450					440,450
PRODUCTION LINER	-	-	-	-	-	-	312/10	-					-
TUBING	9,350	2 7/8	6.50	L-80	8rd EUE	\$ 6			312/11	48,675			48,675
WELLHEAD EQUIPMENT							312/6	65,000	412/43	45,000			110,000
SUBSURFACE EQUIPMENT (Packers, Tubing Anchors, Etc.)									412/45	-			-
PRODUCTION EQUIPMENT (Tanks, Separators, Heaters, Dehydrators, Meters, Etc.)									312/8	-	512/4	469,261	469,261
ARTIFICIAL LIFT EQUIPMENT (Pumping Unit, Rods, Rod Pump, Etc.)									412/52	25,000			25,000
FLOWLINES & PIPELINES & UTILITY (Including Rights-Of-Way)									412/53	-	512/5	10,000	10,000
MISCELLANEOUS WELL EQUIPMENT									412/57	-	512/7	-	-
TOTAL TANGIBLES								\$ 687,750		\$ 118,675		\$ 479,261	\$ 1,285,686

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

Prepared by:	Lelan Anders	VP - Operations
Approved by:	Lelan Anders	VP - Operations

Pg. 7

AUTHORITY FOR EXPENDITURE
WELL COST ESTIMATE

		AFE # TBD		0	0	DATE 10/11/2024
WELL NAME & NUMBER Hollywood Star Fee 17-18 801H		PROPOSED DEPTH (ft) 19,725	PROJECT Alpha		PROSPECT LWC	
OPERATOR Paloma Permian AssetCo, LLC		COUNTY OR PARISH Eddy	STATE NM	LEGAL LOCATION (SEC / TOWNSHIP / RANGE) 17 18 22S27E		
OBJECTIVE: 10000' Lateral - 7 well pad						
REMARKS: <u>Drilling</u> 4 UWC & 3 LWC - 7 well pad & 1 Facility Pad <u>Completions</u> 60 Stages - Plug & Perf <u>Production</u> 2 7/8 in Tubing with Gas Lift Valves						

INTANGIBLES	DRILLING		COMPLETION		FACILITIES		TOTAL
	CODE	\$	CODE	\$	CODE	\$	
DRILLING RIG - TURNKEY	310/1	-					-
DRILLING RIG - DAY WORK 20 days	310/3	675,000					675,000
COMPLETION RIG (WORKOVER / CTU / SNUBBING)			410/1	230,000			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	156,500	410/10	-			156,500
FUEL & POWER	310/15	226,250	410/11	-			226,250
CEMENTING (Cement, Cementing Services & Cementing Equipment)	310/17	245,000	410/13	-			245,000
DRILL BITS	310/20	62,500					62,500
DOWNHOLE RENTALS	310/22	113,250	410/18	81,750			195,000
SURFACE RENTALS	310/23	74,000	410/19	213,750	510/6	11,429	299,179
FLOWBACK RENTALS			410/20	75,700			75,700
GEOLOGIC EVALUATION	310/26	16,800					16,800
CASED HOLE LOGGING & PERFORATING			410/21	355,000			355,000
FORMATION STIMULATION			411/1	2,815,500			2,815,500
WATER	310/12	17,300	411/2	570,000			587,300
TRANSPORTATION	310/16	14,500	410/25	20,000			34,500
DIRECTIONAL DRILLING SERVICES	310/35	285,000					285,000
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	167,500	410/30	22,500	510/1	65,985	255,985
INSURANCE	310/21	7,890					7,890
OFFICE SUPERVISION	310/43	10,000	410/34	5,000			15,000
FIELD SUPERVISION / CONTRACT ENGINEERING	310/44	115,000	410/35	190,000	510/3	30,571	335,571
INSTALL PRODUCTION FACILITY			410/43	-	510/2	122,731	122,731
ADMINISTRATIVE OVERHEAD	310/45	10,000	410/36	5,000			15,000
ABANDONMENT EXPENSE	310/46	-	410/37	-			-
FLUID DISPOSAL	310/32	173,250	410/44	50,000			223,250
MISCELLANEOUS COSTS & CONTINGENCIES (5%)	310/47	474,711	410/38	703,005	510/9	11,536	1,189,252
TOTAL INTANGIBLES		\$ 3,639,451		\$ 5,369,705		\$ 242,252	\$ 9,251,407

TANGIBLES							DRILLING		COMPLETION		FACILITIES		TOTAL
CASING	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	\$/FT	CODE	\$	CODE	\$	CODE	\$	
DRIVE PIPE	-	-	-	-	-	-	312/1	-					-
CONDUCTOR	80	20	-	-	-	60	312/2	4,800					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					157,500
DRILLING LINER	-	-	-	-	-	-	312/5	-					-
PRODUCTION	19,725	5 1/2	20	P110ICY	TXP	23	312/9	453,675					453,675
PRODUCTION LINER	-	-	-	-	-	-	312/10	-					-
TUBING	9,925	2 7/8	6.50	L-80	8rd EUE	\$ 6			312/11	48,675			48,675
WELLHEAD EQUIPMENT							312/6	65,000	412/43	45,000			110,000
SUBSURFACE EQUIPMENT (Packers, Tubing Anchors, Etc.)									412/45	-			-
PRODUCTION EQUIPMENT (Tanks, Separators, Heaters, Dehydrators, Meters, Etc.)									312/8	-	512/4	469,261	469,261
ARTIFICIAL LIFT EQUIPMENT (Pumping Unit, Rods, Rod Pump, Etc.)									412/52	25,000			25,000
FLOWLINES & PIPELINES & UTILITY (Including Rights-Of-Way)									412/53	-	512/5	10,000	10,000
MISCELLANEOUS WELL EQUIPMENT									412/57	-	512/7	-	-
TOTAL TANGIBLES								\$ 700,975		\$ 118,675		\$ 479,261	\$ 1,298,911

TOTAL WELL COSTS	DRILLING \$ 4,340,426	COMPLETION \$ 5,488,380	FACILITIES \$ 721,513	TOTAL \$ 10,550,319
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Prepared by:	Lelan Anders	VP - Operations
Approved by:	Lelan Anders	VP - Operations

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AUTHORITY FOR EXPENDITURE
WELL COST ESTIMATE

		AFE #		0		0		DATE	
		TBD						10/11/2024	
WELL NAME & NUMBER		PROPOSED DEPTH (ft)	PROJECT			PROSPECT			
Hollywood Star Fee 17-18 802H		19,725	Alpha			LWC			
OPERATOR		COUNTY OR PARISH	STATE	LEGAL LOCATION (SEC / TOWNSHIP / RANGE)					
Paloma Permian AssetCo, LLC		Eddy	NM	17_18_22S27E					
OBJECTIVE: 10000' Lateral - 7 well pad									
REMARKS: <u>Drilling</u> 4 UWC & 3 LWC - 7 well pad & 1 Facility Pad <u>Completions</u> 60 Stages - Plug & Perf <u>Production</u> 2 7/8 in Tubing with Gas Lift Valves									

INTANGIBLES	DRILLING		COMPLETION		FACILITIES		TOTAL
	CODE	\$	CODE	\$	CODE	\$	
DRILLING RIG - TURNKEY	310/1	-					-
DRILLING RIG - DAY WORK 20 days	310/3	675,000					675,000
COMPLETION RIG (WORKOVER / CTU / SNUBBING)			410/1	230,000			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	156,500	410/10	-			156,500
FUEL & POWER	310/15	226,250	410/11	-			226,250
CEMENTING (Cement, Cementing Services & Cementing Equipment)	310/17	245,000	410/13	-			245,000
DRILL BITS	310/20	62,500					62,500
DOWNHOLE RENTALS	310/22	113,250	410/18	81,750			195,000
SURFACE RENTALS	310/23	74,000	410/19	213,750	510/6	11,429	299,179
FLOWBACK RENTALS			410/20	75,700			75,700
GEOLOGIC EVALUATION	310/26	16,800					16,800
CASED HOLE LOGGING & PERFORATING			410/21	355,000			355,000
FORMATION STIMULATION			411/1	2,815,500			2,815,500
WATER	310/12	17,300	411/2	570,000			587,300
TRANSPORTATION	310/16	14,500	410/25	20,000			34,500
DIRECTIONAL DRILLING SERVICES	310/35	285,000					285,000
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	167,500	410/30	22,500	510/1	65,985	255,985
INSURANCE	310/21	7,890					7,890
OFFICE SUPERVISION	310/43	10,000	410/34	5,000			15,000
FIELD SUPERVISION / CONTRACT ENGINEERING	310/44	115,000	410/35	190,000	510/3	30,571	335,571
INSTALL PRODUCTION FACILITY			410/43	-	510/2	122,731	122,731
ADMINISTRATIVE OVERHEAD	310/45	10,000	410/36	5,000			15,000
ABANDONMENT EXPENSE	310/46	-	410/37	-			-
FLUID DISPOSAL	310/32	173,250	410/44	50,000			223,250
MISCELLANEOUS COSTS & CONTINGENCIES (5%)	310/47	474,711	410/38	703,005	510/9	11,536	1,189,252
TOTAL INTANGIBLES		\$ 3,639,451		\$ 5,369,705		\$ 242,252	\$ 9,251,407

TANGIBLES							DRILLING		COMPLETION		FACILITIES		TOTAL
CASING	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	\$/FT	CODE	\$	CODE	\$	CODE	\$	
DRIVE PIPE	-	-	-	-	-	-	312/1	-					-
CONDUCTOR	80	20	-	-	-	60	312/2	4,800					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					157,500
DRILLING LINER	-	-	-	-	-	-	312/5	-					-
PRODUCTION	19,725	5 1/2	20	P110ICY	TXP	23	312/9	453,675					453,675
PRODUCTION LINER	-	-	-	-	-	-	312/10	-					-
TUBING	9,925	2 7/8	6.50	L-80	8rd EUE	\$ 6			312/11	48,675			48,675
WELLHEAD EQUIPMENT							312/6	65,000	412/43	45,000			110,000
SUBSURFACE EQUIPMENT (Packers, Tubing Anchors, Etc.)									412/45	-			-
PRODUCTION EQUIPMENT (Tanks, Separators, Heaters, Dehydrators, Meters, Etc.)									312/8	-	512/4	469,261	469,261
ARTIFICIAL LIFT EQUIPMENT (Pumping Unit, Rods, Rod Pump, Etc.)									412/52	25,000			25,000
FLOWLINES & PIPELINES & UTILITY (Including Rights-Of-Way)									412/53	-	512/5	10,000	10,000
MISCELLANEOUS WELL EQUIPMENT									412/57	-	512/7	-	-
TOTAL TANGIBLES								\$ 700,975		\$ 118,675		\$ 479,261	\$ 1,298,911

TOTAL WELL COSTS	DRILLING	COMPLETION	FACILITIES	TOTAL
	\$ 4,340,426	\$ 5,488,380	\$ 721,513	\$ 10,550,319

Prepared by:	Lelan Anders	VP - Operations
Approved by:	Lelan Anders	VP - Operations

AUTHORITY FOR EXPENDITURE
WELL COST ESTIMATE

WELL NAME & NUMBER Hollywood Star Fee 17-18 803H		PROPOSED DEPTH (ft) 19,725	PROJECT Alpha	DATE 10/11/2024
OPERATOR Paloma Permian AssetCo, LLC		COUNTY OR PARISH Eddy	STATE NM	PROSPECT LWC
OBJECTIVE: 10000' Lateral - 7 well pad		LEGAL LOCATION (SEC / TOWNSHIP / RANGE) 17_18_22S27E		
REMARKS: 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	DRILLING		COMPLETION		FACILITIES		TOTAL
	CODE	\$	CODE	\$	CODE	\$	
DRILLING RIG - TURNKEY	310/1	-					-
DRILLING RIG - DAY WORK	310/3	675,000					675,000
COMPLETION RIG (WORKOVER / CTU / SNUBBING)			410/1	230,000			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	156,500	410/10	-			156,500
FUEL & POWER	310/15	226,250	410/11	-			226,250
CEMENTING (Cement, Cementing Services & Cementing Equipment)	310/17	245,000	410/13	-			245,000
DRILL BITS	310/20	62,500					62,500
DOWNHOLE RENTALS	310/22	113,250	410/18	81,750			195,000
SURFACE RENTALS	310/23	74,000	410/19	213,750	510/6	11,429	299,179
FLOWBACK RENTALS			410/20	75,700			75,700
GEOLOGIC EVALUATION	310/26	16,800					16,800
CASED HOLE LOGGING & PERFORATING			410/21	355,000			355,000
FORMATION STIMULATION			411/1	2,815,500			2,815,500
WATER	310/12	17,300	411/2	570,000			587,300
TRANSPORTATION	310/16	14,500	410/25	20,000			34,500
DIRECTIONAL DRILLING SERVICES	310/35	285,000					285,000
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	167,500	410/30	22,500	510/1	65,985	255,985
INSURANCE	310/21	7,890					7,890
OFFICE SUPERVISION	310/43	10,000	410/34	5,000			15,000
FIELD SUPERVISION / CONTRACT ENGINEERING	310/44	115,000	410/35	190,000	510/3	30,571	335,571
INSTALL PRODUCTION FACILITY			410/43	-	510/2	122,731	122,731
ADMINISTRATIVE OVERHEAD	310/45	10,000	410/36	5,000			15,000
ABANDONMENT EXPENSE	310/46	-	410/37	-			-
FLUID DISPOSAL	310/32	173,250	410/44	50,000			223,250
MISCELLANEOUS COSTS & CONTINGENCIES (5%)	310/47	474,711	410/38	703,005	510/9	11,536	1,189,252
TOTAL INTANGIBLES		\$ 3,639,451		\$ 5,369,705		\$ 242,252	\$ 9,251,407

TANGIBLES							DRILLING		COMPLETION		FACILITIES		TOTAL
CASING	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	\$/FT	CODE	\$	CODE	\$	CODE	\$	
DRIVE PIPE	-	-	-	-	-	-	312/1	-					-
CONDUCTOR	80	20	-	-	-	60	312/2	4,800					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					157,500
DRILLING LINER	-	-	-	-	-	-	312/5	-					-
PRODUCTION	19,725	5 1/2	20	P110ICY	TXP	23	312/9	453,675					453,675
PRODUCTION LINER	-	-	-	-	-	-	312/10	-					-
TUBING	9,925	2 7/8	6.50	L-80	8rd EUE	6			312/11	48,675			48,675
WELLHEAD EQUIPMENT							312/6	65,000	412/43	45,000			110,000
SUBSURFACE EQUIPMENT (Packers, Tubing Anchors, Etc.)									412/45	-			-
PRODUCTION EQUIPMENT (Tanks, Separators, Heaters, Dehydrators, Meters, Etc.)									312/8	-	512/4	469,261	469,261
ARTIFICIAL LIFT EQUIPMENT (Pumping Unit, Rods, Rod Pump, Etc.)									412/52	25,000			25,000
FLOWLINES & PIPELINES & UTILITY (Including Rights-Of-Way)									412/53	-	512/5	10,000	10,000
MISCELLANEOUS WELL EQUIPMENT									412/57	-	512/7	-	-
TOTAL TANGIBLES								\$ 700,975		\$ 118,675		\$ 479,261	\$ 1,298,911

TOTAL WELL COSTS	DRILLING \$ 4,340,426	COMPLETION \$ 5,488,380	FACILITIES \$ 721,513	TOTAL \$ 10,550,319
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Prepared by: Lelan Anders VP - Operations
Approved by: Lelan Anders VP - Operations

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.

Pg 3 of 3

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

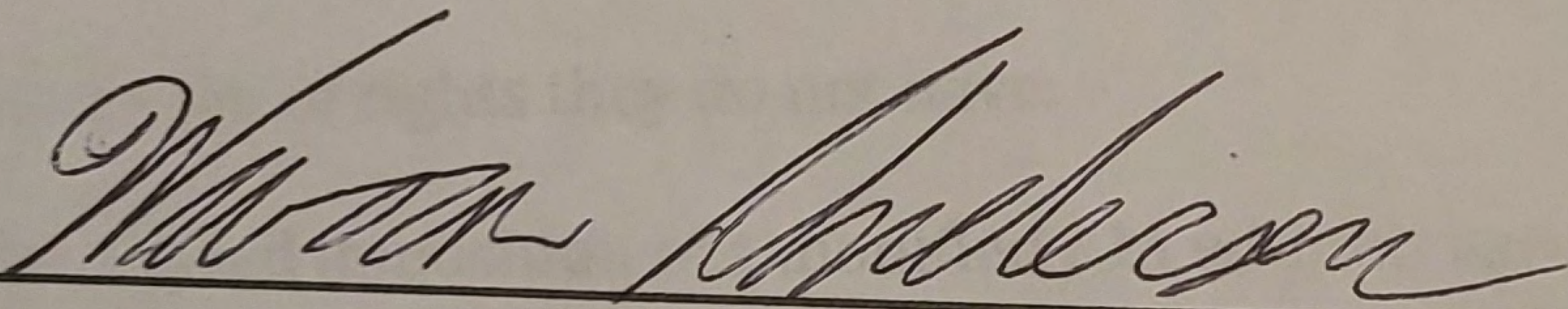
Hollywood Star 17-18 Fee Com 553H

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 meaningful negotiation with the Andersons prior to filing compulsory pooling

Communications and conduct reflect a pattern of presenting non-terms 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 pooling applications premature and unlawful

EXHIBIT B - *CONTINUE*

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 - *CONTINUE*

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 defects that can be cured through amendment alone.

These defects include:

1. Reliance on serial filings to overcome objections rather than correcting deficiencies;
2. Failure to demonstrate that proposed terms are reasonable and balanced;
3. Attempts to narrow the scope of review through procedural repetition; and
4. Mischaracterization of landowner objections as refusal rather than legitimate concerns.

Compulsory pooling is an extraordinary remedy. Procedural persistence cannot substitute for statutory compliance.

Approval under these circumstances would undermine the intent of the Oil and Gas Conservation Act and erode protections for mineral owners statewide.

EXHIBIT D

UNFAIR AND BURDENSOME JOINT OPERATING AGREEMENT 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 - *continued*

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  ace estate.

Approval without clear and enforceable surface protections constitutes irreparable harm.

10000' Lateral
Please Attach To Pg 1 of 1
EXHIBIT E

AUTHORITY FOR EXPENDITURE
WELL COST ESTIMATE

WELL NAME & NUMBER Hollywood Star Fee 17-18 503H		PROPOSED DEPTH (ft) 17,400	PROJECT TBD	AFE # TBD	0	0	DATE 3/19/2.
OPERATOR Paloma Permian AssetCo, LLC		COUNTY OR PARISH Eddy	STATE NM	LEGAL LOCATION (SEC / TOWNSHIP / RANGE) 17_18_22S-27E			PROSPECT 2BSS
OBJECTIVE: 10000' Lateral - 8 well pad							
REMARKS: Drilling 2BSS (4) & 3BSC (4) - 6 well pads & 1 Facility Pad Completions 47.5 Stages - Plug & Perf Production 2 3/8 in Tubing with Gas Lift Valves							

INTANGIBLES	DRILLING		COMPLETION		FACILITIES		TOTAL
	CODE	\$	CODE	\$	CODE	\$	
DRILLING RIG - TURNKEY	310/1	-					-
DRILLING RIG - DAY WORK	310/3	615,000					615,000
COMPLETION RIG (WORKOVER / GTU / SNUBBING)			410/1	200,000			200,000
RIG MOBILIZATION & DEMOBILIZATION	310/4	87,500					87,500
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	50,000	410/6	5,000			55,000
SITE COSTS	310/7	12,500	410/8	-			12,500
DRILLING FLUID (Mud, Water, Completion Fluid & Equipment Rentals)	310/11	171,500	410/10	-			171,500
FUEL & POWER	310/15	206,250	410/11	-			206,250
CEMENTING (Cement, Cementing Services & Cementing Equipment)	310/17	260,000	410/13	-			260,000
DRILL BITS	310/20	91,000					91,000
DOWNHOLE RENTALS	310/22	163,250	410/18	57,550			220,800
SURFACE RENTALS	310/23	66,750	410/19	115,525	510/6	15,000	197,275
BACK RENTALS			410/20	40,600			40,600
LOGIC EVALUATION	310/26	15,600					15,600
HOLE LOGGING & PERFORATING			410/21	247,500			247,500
FORMATION STIMULATION			411/1	2,863,086			2,863,086
WATER	310/12	11,700	411/2	361,000			372,700
TRANSPORTATION	310/16	14,500	410/25	20,000			34,500
ADDITIONAL DRILLING SERVICES	310/35	310,050					310,050
DRILLING (OR TUBING) CREWS & EQUIPMENT	310/38	55,000	410/27	15,000			70,000
REGULAR SERVICES (Cleaning, Inspection & Testing)	310/39	28,000	410/28	7,500			35,500
LABOR & MISCELLANEOUS SERVICES	310/40	74,000	410/30	15,000	510/1	30,000	119,000
INSURANCE	310/21	6,960					6,960
OFFICE SUPERVISION	310/43	10,000	410/34	-			10,000
FIELD SUPERVISION / CONTRACT ENGINEERING	310/44	110,500	410/35	114,038	510/3	63,000	287,538
INSTALL PRODUCTION FACILITY			410/43	-	510/2	50,000	50,000
ADMINISTRATIVE OVERHEAD	310/45	10,000	410/36	-			10,000
ABANDONMENT EXPENSE	310/46	-	410/37	-			-
FLUID DISPOSAL	310/32	90,799	410/44	50,000			140,799
MISCELLANEOUS COSTS & CONTINGENCIES (5%)	310/47	436,736	410/38	616,770	510/9	7,900	1,061,406
TOTAL INTANGIBLES		\$ 3,348,309		\$ 4,733,569		\$ 165,900	\$ 8,247,777

TANGIBLES							DRILLING		COMPLETION		FACILITIES		TOTAL
CASING	FOOTAGE	SIZE	WEIGHT	GRADE	THREAD	\$/FT	CODE	\$	CODE	\$	CODE	\$	
DRIVE PIPE	-	-	-	-	-	-	312/1	-					-
CONDUCTOR	80	20	-	-	-	60	312/2	4,800					4,800
SURFACE	500	13	55	J55	BTC	50	312/3	25,000					25,000
INTERMEDIATE	4,000	9	40	P110/CY	BTC	30	312/4	118,400					118,400
DRILLING LINER	-	-	-	-	-	-	312/5	-					-
PRODUCTION	17,400	5 1/2	20	P110/CY	TXP	27	312/8	469,800					469,800
PRODUCTION LINER	-	-	-	-	-	-	312/10	-					-
TUBING	7,600	2 3/8	4.70	L-80	8rd EUE	\$ 5			312/11	38,000			38,000
WELLHEAD EQUIPMENT							312/6	40,000	412/43	30,000			70,000
SUBSURFACE EQUIPMENT (Packers, Tubing Anchors, Etc.)									412/45	-			-
PRODUCTION EQUIPMENT (Tanks, Separators, Heaters, Dehydrators, Meters, Etc.)									312/8	-	512/4	255,000	255,000
ARTIFICIAL LIFT EQUIPMENT (Pumping Unit, Rods, Rod Pump, Etc.)									412/52	5,000			5,000
FLOWLINES & PIPELINES & UTILITY (Including Rights-Of-Way)									412/53	-	512/5	4,000	4,000
MISCELLANEOUS WELL EQUIPMENT									412/57	-	512/7	-	-
TOTAL TANGIBLES								\$ 658,000		\$ 73,000		\$ 259,000	\$ 990,000

TOTAL WELL COSTS	DRILLING \$ 4,006,309	COMPLETION \$ 4,806,569	FACILITIES \$ 424,900	TOTAL \$ 9,237,777
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THESE FIGURES WERE PREPARED
BY PALOMA PERMIAN ASSET
CO, LLC

PLEASE ATTACH
TO EXHIBIT E

CASE: 25700

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.
2. 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 704H; 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.
8. 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.
9. 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.

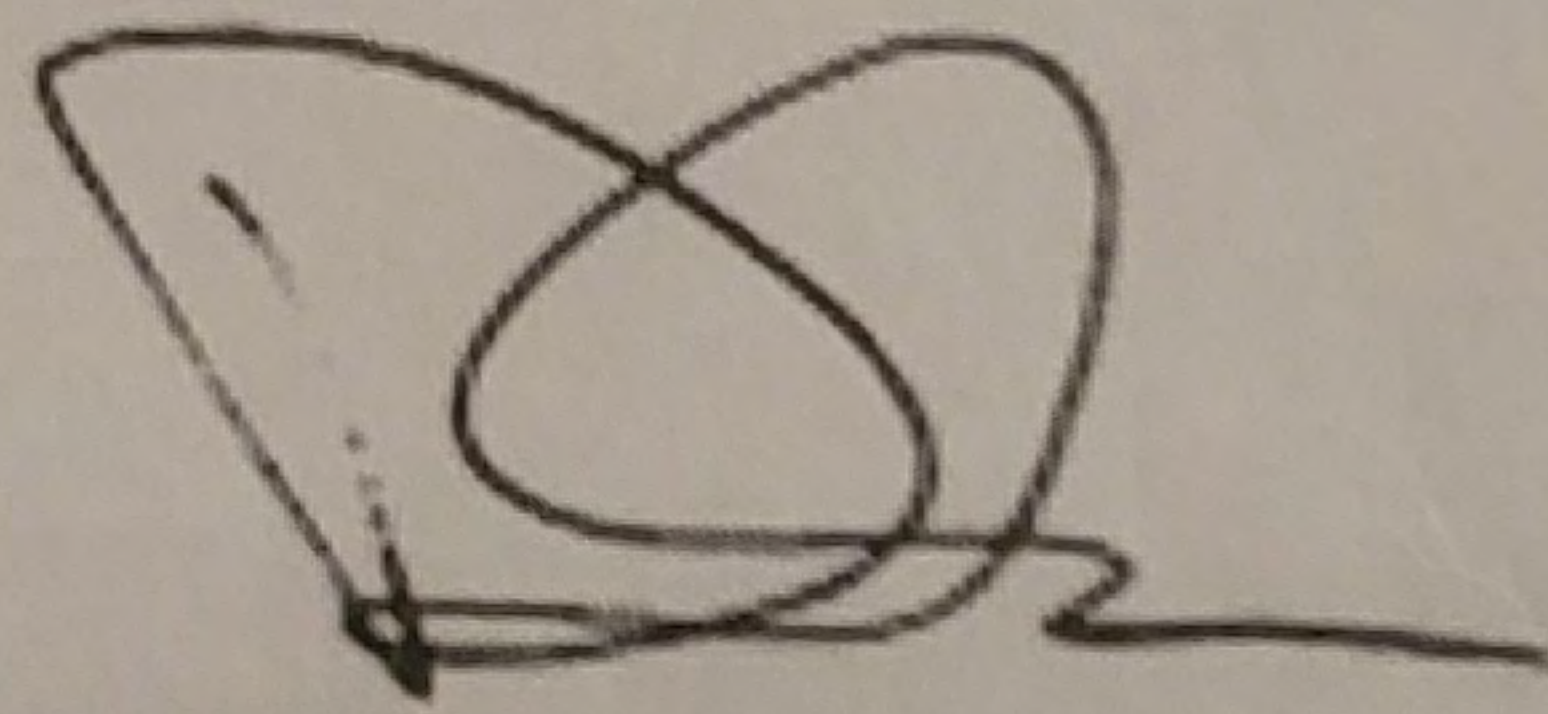
case, you can visit the Division's website at: <https://www.emnrd.nm.gov/oed/hearing-info/> or call (505) 476-3441.

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 Pre-hearing 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,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

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 computation into a tool of economic coercion rather than fair integration.

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

EXHIBIT E - CONTINUED

COMPARATIVE FAIRNESS ANALYSIS

When compared to standard industry practices and the unmodified 1989 AAP, the 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.

Revised by OGD 12/10/2025 26 of 26

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 Permian 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 Permian 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.

PLEASE ADD THESE ATTACHMENT'S TO EXHIBIT: F
TO CASE (25700)

ALPHA

P.O. Box 10701, Midland, Texas 79702

April 22, 2025

Bobby W. Anderson
1301 Forest Ave
Pasadena, CA 91103

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,

ALPHA ENERGY PARTNERS II, LLC (AEP II) HAVE NO PERMISSION TO DO ANY OPERATIONS OR PRODUCTION OR 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
Hollywood Star Fee 17-18 503H	2,432' FSL & 372' FWL of 16-22S-27E	1,980' FNL & 50' FWL of 18-22S-27E	1,980' FNL & 100' FEL of 17-22S-27E	1,980' FNL & 100' FWL 18-22S-27E	7,140'	17,400'	2 nd Bone Spring
Hollywood Star Fee 17-18 553H	2,394' FSL & 372' FWL of 16-22S-27E	1,980' FNL & 50' FWL of 18-22S-27E	1,980' FNL & 100' FEL of 17-22S-27E	1,980' FNL & 100' FWL 18-22S-27E	7,860'	18,150'	3 rd Bone Spring

NO YOU DONT HAVE PERMISSION TO DO 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 DONT HAVE PERMISSION TO DO ANYTHING UNDER THE TERMS OF ANY MODIFIED 1989 AAPL FORM OF OPERATING AGREEMENT.
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 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:

Lease:

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

THIS Will Cause EMEASE Damage To The Property @

Pg 2

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 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 can be lease if we can agree on a lease that works for both parties. THE MINERALS ARE NOT FOR SALE. THE LAND IS NOT FOR SALE.

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 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

*FOR 2 miles EAST NORTH
RADIUS WEST SOUTH*

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

To Whom it May Concern,

Operation will damage my property - Block Warren
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
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
Hollywood Star Fee 17-18 503H	2,432' FSL & 372' FWL of 16-22S-27E	1,980' FNL & 50' FWL of 18-22S-27E	1,980' FNL & 100' FEL of 17-22S-27E	1,980' FNL & 100' FWL 18-22S-27E	7,140'	17,400'	2 nd Bone Spring
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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

Lillie Anderson and Warner Anderson
DONT EXCEPT THIS OPERATING AGREEMENT.
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:

Lease:

THIS Will Cause EMease Damage To The Property @

Pg 2

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THE PROPERTY ~~and~~ CAN be lease IF we can agree on a lease that works, For Both Parties. THE MINERALS ARE NOT FOR SALE. THE LAND IS NOT FOR SALE.

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 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

FOR 2 miles EAST NORTH
RADIUS West South

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

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

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
Hollywood Star Fee 17-18 503H	2,432' FSL & 372' FWL of 16-22S-27E	1,980' FNL & 50' FWL of 18-22S-27E	1,980' FNL & 100' FEL of 17-22S-27E	1,980' FNL & 100' FWL 18-22S-27E	7,140'	17,400'	2nd Bone Spring
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NO YOU DONT HAVE PERMISSION TO DO 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 DONT HAVE PERMISSION TO DO ANYTHING UNDER THE TERMS OF ANY MODIFIED 1989 AAPL FORM OF OPERATING AGREEMENT.

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)

Lillie 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:

Lease:

We would like to come to a Feasible agreement

____ 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: _____

Date: _____

EXHIBIT F - CONTINUED

SERIAL FILINGS AND PROCEDURAL PRESSURE

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

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

This pattern suggests an intent to:

- Exhaust landowner resources;
- Create 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, including ability to place a residence on the property.

This interference is not speculative. It is a direct consequence of the location, scope, and operational footprint proposed by Paloma.

Revised by OGD 12/10/2025 24 of 28

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 Permian 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 Permian 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.

PLEASE ADD THESE ATTACHMENT'S TO EXHIBIT: F
TO CASE (25700)

Pg. 1-4

ALPHA

P.O. Box 10701, Midland, Texas 79702

April 22, 2025

Bobby W. Anderson
1301 Forest Ave
Pasadena, CA 91103

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

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- 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:

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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