

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

IN THE MATTER AND CONSIDERATION OF:

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

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

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

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

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

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

MOTION TO SEVER ALPHA MOTIONS FOR EVIDENTIARY HEARING TO DETERMINE THAT
AER'S REPRESENTATIONS OF PURPORTED SHUT-IN PAYMENTS WERE KNOWINGLY MADE
IN BAD FAITH AND TO DETERMINE WHETHER THE SAIK #001 WELL SHOULD BE PLUGGED

American Energy Resources LLC ("American"), through its representative, submits
to the Oil Conservation Commission ("Commission" or "OCC") this Motion to Sever, the
("Motion"). Alpha is an opposing party and American assumes they oppose the motion. In
support of its Motion, American states the following:

- 1) Alpha motions for evidentiary hearings to force frivolous claims through erroneous
regulatory attempts that has already been ruled by the Division in evidence ("Exhibit
E") an email by the Division dated April 3, 2025, presented by American, stating that

the Division will not accept enforcement brought on by one operator against another.

- 2) Alpha motions for evidentiary hearings are in the same manner as their prior attempts and the Division will not accept enforcement brought on by one operator against another as in ("Exhibit E"). Alpha counsel clearly attempted to take advantage of their being a new judicial attendance, which is proof of the continuance of evidence being gathered of Alpha's bad behavior, bad faith, deception, and disregard to the unwritten honor code.
- 3) Therefore, American files its motion requesting the Commission sever Alpha frivolous claims and erroneous evidentiary hearings from the actual matter of ownership, that will allow the actual matter of ownership to move forward without delay.
- 4) The Commission has authority under NMRA Rule 1-(054) B to enter a ruling on less than all claims so long as the Commission "expressly determines that there is no just reason for delay".
- 5) NMRA 1-021 provides, "Any claim against a party may be severed and proceeded with separately". U.S. Fire Ins. Co. v. Aeronautics, Inc., 1988-NMSC-051, 4, 107 N.M. 320, 321 (noting, "any claim against a party may be severed and proceeded with separately").
- 6) Practically, severance is proper "when it will sever the ends of justice and further the prompt and efficient disposition of litigation. "T.S.I. 27, Inc. v. Berman Enterprises, Inc., 115 F.R.D. 252, 254 (S.D.N.Y. 2987); Wyndham Assocs. v. Bintliff, 398 F.2d 614, 618 (2d Cir. 1968) (permitting severance "where the administration of justice would be materially advanced by severance").
- 7) Rule 1-054(B) provides the Commission flexibility to determine whether the ends of justice will be served by severance and immediate appeal of less than all pending claims. Sears, Roebuck & Co. v. Mackey, 351 U.S. 427, 435, 76 S. Ct. 895, 899, 100 L. Ed. 1297 (1956). That discretion is to be exercised "in the interest of sound judicial administration". Curtiss-Wright Corp. v. Gen Elec. Co., 446 U.S. 1, 8, 100 S. Ct. 1460, 1464-65, 64 L. Ed. 2d 1 (1980).

8) After considering all appropriate matters, finds that the following factors support severance of the claims represented in the matter.

- A. Avoid further proceedings: American presented numerous exhibits as evidence with its submittals with standing and merit of its ownership of its Saik Unit and leases being validly superior. American also presented numerous exhibits as evidence with its submittals with standing and merit showing Alpha's bad faith, compulsive false representations, numerous changing claims, deception, and claims already ruled by the Division to be erroneous, therefore Alpha's further attempts in its erroneous evidentiary hearings presented in the same manner are a waste of judicial resources and efficiency and considered irrelevant in nature to the matter at hand of ownership and furthermore were frivolously brought forth by Alpha to manipulate New Mexico law with intent to deceive the commission to act erroneously against American, that has caused and will continue cause severe harm to American interests. There is no just reason with standing and merit to proceed with the unnecessary proceedings brought forth by an imprudent operator such as Alpha through frivolous claims and erroneous evidentiary hearings against a prudent operator such as American. Alpha frivolous claims and erroneous evidentiary hearings are moot to the matter. *United Bank of Pueblo v. Hartford Acc. & Indem. Co.*, 529 F. 2d 490 (10th Cir. 1976) (Certifying appeal) where the determination of the principal action would facilitate disposal of the third-party action, which would moot Alpha's irrelevant frivolous claims and erroneous evidentiary hearings.
- B. Limit Issues: Any remand of the case will undoubtedly limit the issues that must be tried. The issues on the matter are pure questions of law, which will necessitate the commission providing guidance on the issues: e.g., the numerous evidence provided by American of its ownership of the Saik Unit and leases as well as further evidence highlighting Alpha's numerous attempts to change the narrative of the matter in making false representations to portray itself the owner of American leases with top leases that were assigned on date July 2, 2025, from Uplift to Alpha with "NO Warranty of Title", See American (Exhibit 6). Any further proceedings or trial of this matter will benefit greatly from the Commissions resolution of the issued raised on the matter. *National Fuel Gas Distribution Corp. v. TGX Corp.*, 950 F2d 829 (2d Cir. 1991) where parties rights and obligations could best be addressed after first resolving the threshold question of the matter.

C. Decide primary resolution: This case is foremost about ownership of the property, which consists of an already original Pooled Unit and leases known as the Saik Unit. The parties are unlikely to settle the case because it's a "winner take all" scenario". The parties and the Commission deserve prompt resolution on the primary issue of the matter.

D. Establish Title definitively: It makes no sense that Alpha twisted hearing matters before everybody eyes to erroneously make American proceed on frivolous claims, erroneous evidentiary hearings, or further attempts to sway the Commission to act erroneous with tailor-made determinations to resolve an overlapping title dispute. When Alpha has already made frivolous claims of American not owning interests in (Exhibit 9a) and furthermore in Alpha's submittal dated on December 16, 2025, the reply to American Energy Resources, LLC's response to Alpha's motion requesting the commission to determine that AER's representation of purported shut-in payments were knowingly made in bad faith, is very clear on #11 of Alpha acknowledging American ownership of the Saik Unit through its statement that ("if American can overcome regulatory deficiencies and demonstrate to the OCD/OCC that the Saik well should be developed, **"IT MAY DO SO"** pursuant to the Divisions approval and rules").

Judicial efficiency mandates a prompt resolution of the matter.

United States v. All Assets Held in Account Number (with respect to title of certain properties where prompt judicial efficiency could dispel any shadow over its title).

American having adequate financial assurances which Alpha has failed to overcome, which clearly shows American willingness to overcome regulatory deficiencies, because to date none have been presented to American in an NOV letter as required under Due Process rights.

American Saik Unit should be developed under the oil and gas act and NMOCD given rights through obligated duties to protect prudent operator such as American correlative rights to develop, because New Mexico law under, 19.15.16 NMAC

(9) Existing and subsequent wells in horizontal spacing units.

(b) Subsequent wells in existing spacing units. Subject to the terms of any applicable operating agreement, or to 19.15.13 NMAC or any applicable compulsory pooling order as to any compulsory pooled interests:

(i) a horizontal well that will have a completed interval partially in an existing well's spacing unit, and in the same pool or formation, may be drilled only with the approval of, or, in the absence of approval, after notice to, all operators and working interest owners of record or known to the applicant in

the existing and new well's spacing units;

(ii) any subsequent well, horizontal or otherwise, with a completed interval located wholly within an existing well's horizontal spacing unit, and in the same pool or formation, if not designated as an infill horizontal well, may be drilled only with the approval of, or, in the absence of approval, after notice to, all operators and working interest owners of record or known to the applicant in the existing and new well's spacing units

Which Alpha has failed to get approval from American to develop its HSU wells that infringe and trespass on American Saik Unit and leases.

The Saik well must be developed under rulings that Allowable not to exceed market demand. With the Oil and Gas market demand down and a glut in the supply at the present date, the production from the HSU pool wells would add to the problem by greatly exceeding the market demand, which would result in waste. Making American Saik Unit and well the most economical and efficient way to protect correlative rights and to not create waste of irreplaceable resources.

Continental Oil Co. v. Oil Conservation Commission, 1962-NMSC-062, 70 N.M. 310, 373 P.2d 809.

- E. Other Economic Prejudice: Which ever party prevails (American or Alpha) will be severely harmed by delayed ruling herein. The value and usefulness of the oil and gas rights are currently irreplaceable to American interests. Granting Alpha under the erroneous orders would be prevailing that would feed the creature of nature Alpha to take advantage of interests, including selling, leasing or otherwise profiting on those interests without consciousness to its endless elaborate false representations and deceptions to cause unnecessary confusion. Delayed resolution of this matter will likely cost the prevailing party vast sums. Economic prejudice strongly favors a prompt resolution to the matter, and to allow the dispute of an overlapping title dispute to move forward, without delay.
- F. Save Expense of Unnecessary Proceedings: Alpha claims are simply duplicative to its already submitted application to enforce compliance on American that was denied as erroneous. See (Exhibits C and Exhibit E). There is no just reason to force American to litigate erroneous regulatory brought forth by an imprudent operator such as Alpha to willfully cause severe harm against a prudent operator such as American at a hearing specifically set to determine ownership.

G. Party to Fully resolve case: This case is unique. American seeks to sever Alpha frivolous claims and erroneous evidentiary hearings from the matter, to ensure fairness and judicial efficiency.

Claims brought forth by Alpha were improperly joined because they do not arise from the same common question of law or fact.

Claims brought forth by Alpha were designed to deceive the Commission by combining multiple unrelated frivolous claims that intentionally lead to confusion.

E. Each of the above factors are supported by evidence in American submitted submittals showing that American is in fact the true owner of interests through its Saik Unit and leases.

- 9) The Commission has a duty to prompt judicial efficiency, and it is appropriate to sever Alpha claims and evidentiary hearings for not being subject to the matter of ownership. There is simply no reason to take up more time and resources on erroneous evidentiary hearings brought forth by an imprudent operator such as Alpha attempting to prolong litigation through false claims and erroneous evidentiary hearings regarding ownership that have caused and will continue to cause severe harm.
- 10) The remaining claims of Alpha in its erroneous submitted motions for evidentiary hearings must be mooted for being irrelevant and inappropriate in nature to the matter at hand. If regulatory feels an action upon American is necessary, regulatory can implement however they feel necessary, upon "DUE PROCESS". American will act forthwith in correcting any corrections, if any.

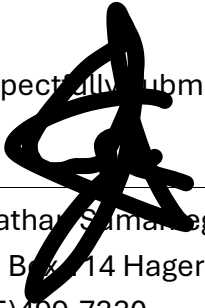
CONCLUSION

The Commission possess the duty to prompt judicial efficiency that are subject to the matter of ownership and where sever is appropriate to judicial efficiently is within its jurisdiction to protect responsible prudent operator such as American from bad faith practices of imprudent operators such as Alpha with intent to stretch the matter to unnecessary complexity and confusion. American has made an effort to provide the Commission for its consideration and basis for discerning what is and is not within its jurisdiction to adjudicate; the Commission cannot adjudicate actual title or attempt to "Tailor-make" an evaluation to an overlapping title dispute, but American submits that it is

more than appropriate to sever all unrelated claims and evidentiary hearings that could lead to confusion and cause sleight of hand of the matter.

Thus, American respectfully requests the Commission to sever Alpha unrelated claims and evidentiary hearings from the matter for being brought forth with unclean hands, irrelevant to the matter at hand, erroneous, acted in bad faith, and made false representation in its claims and for such inappropriate behavior the Commission must further grant American Emergency Stay and further the automatic termination under the terms being violated of the Division's Pooling Orders involved.

Respectfully Submitted,



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Representative for American Energy Resources LLC

CERTIFICATE OF SERVICE I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico New Mexico Oil Conservation Commission and was served on counsel of record via electronic mail on January 11, 2025:

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Exhibit C

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

**APPLICATION OF ALPHA ENERGY PARTNERS II,
LLC, REQUESTING THE OIL CONSERVATION
DIVISION TO ISSUE AN ORDER REQUIRING
AMERICAN ENERGY RESOURCES LLC TO BRING
THE SAIK #001 WELL (API No. 30-015-20971) INTO
COMPLIANCE WITH RULE 19.15.25.8 NMAC,
EDDY COUNTY, NEW MEXICO**

CASE No. _____

APPLICATION

Alpha Energy Partners, II, LLC, (“Alpha”), through its undersigned attorneys, submits this Application to the Oil Conservation Division (“Division” or “OCD”) for an Order staying any and all efforts of American Energy Resources LLC (“AmER”) to reenter, recompleat and/or produce the Saik #001 Well (API No. 30-015-20971) (the “Saik Well”) and directing AmER to bring the Saik Well into compliance with NMAC 19.15.25.8. In support of its Application, Alpha states the following:

1. AmER is the OCD designated Operator of the Saik Well that is located in the NW/4NE/4 (Unit B) of Section 17, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. The spacing unit for the Saik Well is the N/2 of Section 17 (the “Saik DSU”).
2. The OCD has not approved the temporary abandonment of the Saik Well.
3. The Division’s records indicate zero production from the Saik Well from 2008 to 2021, and no reports for production have been submitted to the OCD from 2021 to the present. *See* OCD Production Information attached hereto as **Exhibit 1**.

4. The Saik Well has been non-productive since 2008 and it is currently listed on the OCD's Inactive Well List as of February 25, 2025. *See* Inactive Well List for AmER attached hereto as **Exhibit 2**.

5. Furthermore, AmER has a total well count of nine wells, three of which are currently listed as inactive. *See id.* Under 19.15.5.8A(4) NMAC, an operator is out of compliance if the operator has more than "two wells or fifty percent of the wells the operator operates, whichever is less, if the operator operates 100 wells or less." AmER operates a total of nine wells with three wells, including the Saik #001, listed as inactive; consequently, AmER's Saik #001 is out of compliance with OCD rules.

6. Pursuant to 19.15.25.8A and B NMAC, an operator of a well "shall plug" the well within 90 days after "a period of one year in which a well has been continuously inactive." 19.15.25.8B(3) NMAC.

7. The Division recognized the need for the Operator of the Saik #001 to plug and abandon ("P&A") the well in 2017 when Wildcat Energy LLC was the OCD-recognized Operator of the well. *See* Letter of Violation re Inactive Well(s) dated March 2, 2017, attached hereto as **Exhibit 3**. In the Letter of Violation, the Division mandated that either the Saik Well (1) be "immediately" restored to production, or (2) be placed on "Temporary Abandoned" status, or (3) proceed with plugging procedures. Records show that none of the options have been accomplished to date.

8. Moreover, AmER does not own any working interest in the Saik DSU. *See* Paragraph 14-16, below, for review of the manner by which the Division should address AmER's lack of ownership given the Division's jurisdictional restriction from adjudicating ownership.

9. In spite of its lack of ownership in the Saik DSU, AmER filed a Form C-145 with the Division requesting a Change of Operator from Wildcat Energy LLC (“Wildcat”) to AmER as the new operator, in which AmER assumed all liabilities and consequences associated with a non-producing well in which AmER has no ownership. *See* AmER’s Change of Operator, attached hereto as **Exhibit 4**. In its Change of Operator, AmER certified to the Division that:

I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed in approved temporary abandonment. *See* 19.15.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment in 19.15.25 NMAC.

10. Without ownership in the Saik DSU and given the current inactive status and its years of non-production for the Saik Well, AmER does not have any basis or right to reenter and attempt to produce the Saik Well, which was earmarked for plugging by the Division in 2017. *See* **Exhibit 3** (Letter of Violation).

11. Nonetheless, AmER falsely perpetuates its claim with the Division that the non-producing Saik Well is suitable for re-entry instead of being plugged. *See* recent plans proposed by AmER to reenter the Saik #001 well attached hereto as **Exhibit 5**.

12. Without working interest or wellbore interest, AmER does not have the right to drill, reenter or produce the Saik Well. Lacking ownership interest in minerals in the Saik DSU any attempt by AmER to reenter and produce the Saik Well would be a trespass on the rights of the current leasehold owners, which include Alpha but which does not include AmER, and conversion of their production.

13. In sum, by filing a Change of Operator with the Division and acquiring the rights to the Saik Well, AmER has acquired only the personal property of salvage materials with no property rights except the obligation to plug the well and clean up and remediate any and all contaminants in the well’s vicinity.

14. The Division has the authority to address the AmER's non-compliance while remaining within its jurisdictional boundaries regarding the adjudication of ownership. AmER claims it owns working interest in the Saik DSU and Well, thereby claiming it has a basis for re-completing and producing the Saik Well. Countering AmER's claim, Alpha shows that AmER does not own working interest. Consequently, there exists a dispute over title, which is outside the OCD's jurisdiction. However, if Alpha is correct, as shown by its ownership report, that AmER does not own working interest in the Saik DSU, and AmER is allowed to produce the Saik DSU, then AmER's production would be a violation of the law by (1) trespassing on the existing leasehold interests owned by other parties, and (2) converting other owners' hydrocarbons for AmER's own profit.

15. Although the Division does not have jurisdiction to adjudicate a title dispute between Alpha and AmER, this does not mean that the Division lacks the authority to prevent AmER from re-completing and producing the Saik Well at the present time. If the Division authorizes AmER to recomplete and produce the well, then the Division risks authorizing an operator to commit trespass of leasehold rights and the taking of production without compensation through conversion. The Division cannot use its state police powers to authorize or facilitate a wrongful taking of hydrocarbons. *Manning v. N.M. Energy, Minerals & Natural Res. Dept.*, 2006-NMSC-027, ¶ 44-47, 144 P.3d. 87, 97-98. Therefore, Alpha respectfully submits that the proper procedure under the circumstances would be for the Division to stay any efforts by AmER to reenter, recomplete, and/or produce the Saik Well until AmER seeks and obtains a determination from a court of proper jurisdiction showing that it owns the prerequisite working interest to produce the Saik Well. The issuance of the stay will ensure that the Division does not use its state powers to authorize and facilitate trespass, conversion, and wrongful taking of hydrocarbons.

Furthermore, Alpha is considering seeking a declaratory judgement in district court that AmER does not own any working interest in the Saik Well, and a stay would also allow time for Alpha to file such a lawsuit.

16. Furthermore, the issuance of the stay is within the Division's jurisdiction and would allow the Division to avoid the adjudication of ownership and property rights. If AmER cannot demonstrate to the Division through a court order that it owns working interest, then the Division should plug the Saik Well as requested herein. As part of the proceedings in this case, Alpha will submit a formal motion to stay any and all efforts by AmER to reenter, recomplete, and/or produce the Saik Well until AmER seeks and obtains a court order showing it owns working interest in the Saik DSU.

WHEREFORE, Alpha requests that this Application be set for hearing on May 8, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Finding that: (1) the Saik Well has been non-productive since 2008; (2) the OCD has not approved the temporary abandonment of the Saik Well; and (3) AmER has a total well count of nine wells, three of which are currently listed as inactive;

B. Finding that, based on Paragraph A, AmER is in violation of: (1) 19.15.5.9 NMAC (regarding number of inactive wells out of compliance); and (2) 19.15.25.8 NMAC (regarding the need to P&A the Saik #001 Well); and

C. Staying any and all efforts and activities by AmER and any and all applications filed by AmER to drill, permit, re-enter, re-complete, and/or produce the Saik Well until AmER obtains an order from a court of proper jurisdiction showing it owns working interest in the Saik

DSU and Well. If AmER is not able to provide proof of ownership from a court of proper jurisdiction, then directing AmER to plug and abandon the Saik Well.

Respectfully submitted,

ABADIE & SCHILL, PC

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***Attorneys for Alpha Energy Partners II,
LLC***

Application of Alpha Energy Partners II, LLC, Requesting the Oil Conservation Division to Issue an Order Requiring American Energy Resources LLC to Bring the Saik #001 Well (API No. 30-025-20971) Into Compliance with Rule 19.15.25.8 NMAC, Eddy County, New Mexico.

Applicant in the above-styled cause seeks an order from the Division directing and requiring the designated operator of the Saik #001 Well (API No. 30-025-20971) (“Operator”) to bring into compliance with 19.15.25.8 NMAC the Saik #001 Well, located in the NW/4NE/4 (Unit B) of Section 17, Township 22 South, Range 27 East, PMNM, Eddy County, New Mexico, and staying any and all efforts and activities by AmER and any and all applications filed by AmER to drill, permit, re-enter, re-complete, and/or produce the Saik #001 Well until AmER obtains an order from a court of proper jurisdiction showing it owns working interest in the spacing unit and/or wellbore for the Saik #001 Well. The spacing unit for the Saik Well is the N/2 of Section 17. The Saik #001 Well is located approximately 1.5 miles south-southeast from Carlsbad, New Mexico.

SIGN-IN HELP

Searches Operator Data Hearing Fee Application

OCD Permitting

Home Searches Wells Well Details

30-015-20971 SAIK #001 [336641]

General Well Information

Operator:	[372991] American Energy Resources LLC	Direction:	Vertical
Status:	Active	Multi-Lateral:	No
Well Type:	Gas	Mineral Owner:	Private
Work Type:	New	Surface Owner:	Private
Surface Location:	B-17-22S-27E 990 FNL 1980 FEL		
Lat/Long:	32.3971138,-104.2098923 NAD83		
GL Elevation:	3122		
KB Elevation:		Sing/Mult Compl:	Single
DF Elevation:		Potash Waiver:	False

Proposed Formation and/or Notes

INT TO P&A EXPIRED 5/11/2010

Depths

Proposed:	0	True Vertical Depth:	11690
Measured Vertical Depth:	11690	Plugback Measured:	0

Formation Tops

Formation	Top	Producing	Method Obtained
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Event Dates

Initial APD Approval:	09/01/1974	Current APD Expiration:	09/01/1976
Most Recent APD Approval:	01/07/2025		
APD Cancellation:			
APD Extension Approval:			
Spud:	03/10/1996	Gas Capture Plan Received:	
Approved Temporary Abandonment:		TA Expiration:	
Shut In:			
Plug and Abandoned Intent Received:		PNR Expiration:	
Well Plugged:		Last MIT/BHT:	12/23/2024
Site Release:			
Last Inspection:	12/23/2024		

Quick Links

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- [Comments](#)
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- [Production](#)
- [Transporters](#)
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- [Action Status](#)

Associated

- [Well Files \(95](#)
- [Well Logs \(3\)](#)
- [Well Admin C](#)

New Search

- [New Facility :](#)
- [New Incident](#)
- [New Operato](#)
- [New Pit Sear](#)
- [New Spill Se](#)
- [New Tank Se](#)
- [New Well Se](#)

History

Effective Date	Property	Well Number	Operator	C-101 Work Type	Well Type	Well Status	Apd Cancelled	Plug Date
01/07/2025	[336641] SAIK	#001	[372991] American Energy Resources LLC	New	Gas	Active		

10/27/2010	[308584] SAIK	#001	[209564] WILDCAT ENERGY LLC	New	Gas	Active		
01/01/2006	[302160] SAIK	#001	[192463] OXY USA WTP LIMITED PARTNERSHIP	New	Gas	Active		
02/01/1997	[20597] SAIK	#001	[16696] OXY USA INC	New	Gas	Active		
01/01/1997	[20372] SAIK	#001	[2894] BRISTOL RESOURCES CORP	New	Gas	Active		
01/01/1996	[18292] SAIK	#001	[873] APACHE CORPORATION	New	Gas	Active		
11/01/1995	[4864] SAIK	#001	[9761] APACHE ENERGY RESOURCES CORP	New	Gas	Active		
09/01/1974	[4864] SAIK	#001	[9761] APACHE ENERGY RESOURCES CORP	New	Gas	Active		

Comments

Pits

Pit On Site: [Number 1](#)

Pit Type: Other Status: Active

Registration Denied:

Closure Approved:

Closure Denied:

Event Dates

Registered: Approved: 02/10/2010

Open: Closed (most recent rig release):

Notes

Date	Detail
02/10/2010	210003 (P&A Pit)

Casing

Boreholes, Strings and Equipment Specifications						Specifications for Strings and Tubing			Strings Cemented and Intervals			Cement and Plug Description		
String/Hole Type	Taper	Date Set	Diameter	Top	Bottom (Depth)	Grade	Length	Weight	Bot of Cem	Top of Cem	Meth	Class of Cement	Sacks	Pressure Test (Y/N)
Hole 1	1		13.375	0	358		0	0.0	0	0			0	No
Surface Casing	1		13.375	0	358		358	48.0	358	0		Class C Cement	380	No
Hole 2	1		9.625	0	3560		0	0.0	0	0			0	No
Intermediate 1 Casing	1		9.625	0	3560		3560	36.0	3560	0		Class C Cement	1150	No
Hole 3	1		7.000	0	10500		0	0.0	0	0			0	No
Intermediate 2 Casing	1		7.000	0	10500		10500	23.0	10500	0		Class C Cement	575	No

Packer	1		4.500	9113	9118		5	0.0	0	0			0	No
Hole 4	1		4.500	10392	11685		0	0.0	0	0			0	No
Production Casing	1		4.500	10392	11685		1293	99.0	11685	0		Class C Cement	180	No
Tubing 1	1		2.375	0	9113		9113	0.0	0	0			0	No

Well Completions

[73960] CARLSBAD; MORROW, SOUTH (GAS)

Status: Zone Permanently Plugged Last Produced: 04/01/1996
Bottomhole Location: B-17-22S-27E 990 FNL 1980 FEL
Lat/Long:
Acreage:
DHC: No Consolidation Code:
Production Method: Flowing

Well Test Data

Production Test: Test Length: 0 hours
Flowing Tubing Pressure: 0 psi Flowing Casing Pressure: 0 psi
Choke Size: 0.000 inches Testing Method:
Gas Volume: 0.0 MCF Oil Volume: 0.0 bbls
Gas-Oil Ratio: 0 Kcf / bbl Oil Gravity: 0.0 Corr. API
Disposition of Gas: Water Volume: 0.0 bbls

Perforations

Date	Top Measured Depth (Where Completion Enters Formation)	Bottom Measured Depth (End of Lateral)	Top Vertical Depth	Bottom Vertical Depth
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Notes

Event Dates

Initial Effective/Approval:	09/01/1974	TA Expiration:	
Most Recent Approval:	03/10/1996	Confidential Until:	
Confidential Requested On:		Test Allowable End:	
Test Allowable Approval:		DHC:	
TD Reached:		Rig Released:	
Deviation Report Received:	No	Logs Received:	No
Directional Survey Run:	No	Closure Pit Plat Received:	
Directional Survey Received:	No	First Gas Production:	01/01/1975
First Oil Production:	01/01/1975	Completion Report Received:	
First Injection:		New Well C-104 Approval:	
Ready to Produce:		Revoked Until:	
C-104 Approval:			
Plug Back:			
Authorization Revoked Start:			

Well Completion History

Effective Date	Property	Well Number	Operator	Completion Status	TA Expiration Date
03/10/1996	[18292] SAIK	#001	[873] APACHE CORPORATION	Zone Permanently Plugged	
01/01/1996	[18292] SAIK	#001	[873] APACHE CORPORATION	Active	

11/01/1995	[4864] SAIK	#001	[9761] APACHE ENERGY RESOURCES CORP	Active	
02/08/1994	[4864] SAIK	#001	[9761] APACHE ENERGY RESOURCES CORP	Active	
09/01/1974	[4864] SAIK	#001	[9761] APACHE ENERGY RESOURCES CORP	Active	

[74040] CARLSBAD; STRAWN (GAS)

Status: Zone Permanently Plugged **Last Produced:** 03/01/1996
Bottomhole Location: B-17-22S-27E 990 FNL 1980 FEL
Lat/Long:
Acreage:
DHC: No **Consolidation Code:**
Production Method: Flowing

Well Test Data

Production Test: **Test Length:** 0 hours
Flowing Tubing Pressure: 0 psi **Flowing Casing Pressure:** 0 psi
Choke Size: 0.000 inches **Testing Method:**
Gas Volume: 0.0 MCF **Oil Volume:** 0.0 bbls
Gas-Oil Ratio: 0 Kcf / bbl **Oil Gravity:** 0.0 Corr. API
Disposition of Gas: **Water Volume:** 0.0 bbls

Perforations

Date	Top Measured Depth (Where Completion Enters Formation)	Bottom Measured Depth (End of Lateral)	Top Vertical Depth	Bottom Vertical Depth
------	--	---	--------------------	-----------------------

Notes**Event Dates**

Initial Effective/Approval: 09/01/1974 **TA Expiration:**
Most Recent Approval: 03/10/1996 **Confidential Until:**
Confidential Requested On: **Test Allowable End:**
Test Allowable Approval: **DHC:**
TD Reached: **Rig Released:**
Deviation Report Received: No **Logs Received:** No
Directional Survey Run: No **Closure Pit Plat Received:**
Directional Survey Received: No **First Gas Production:** 01/01/1975
First Oil Production: 01/01/1975 **Completion Report Received:**
First Injection: **New Well C-104 Approval:**
Ready to Produce: **Revoked Until:**
C-104 Approval:
Plug Back:
Authorization Revoked Start:

Well Completion History

Effective Date	Property	Well Number	Operator	Completion Status	TA Expiration Date
03/10/1996	[18292] SAIK	#001	[873] APACHE CORPORATION	Zone Permanently Plugged	
01/01/1996	[18292] SAIK	#001	[873] APACHE CORPORATION	Active	
11/01/1995	[4864] SAIK	#001	[9761] APACHE ENERGY RESOURCES CORP	Active	
02/08/1994	[4864] SAIK	#001	[9761] APACHE ENERGY RESOURCES CORP	Active	
09/01/1974	[4864] SAIK	#001	[9761] APACHE ENERGY RESOURCES CORP	Active	

[74160] CARLSBAD; WOLFCAMP, EAST (GAS)

Status:	Active	Last Produced:	10/01/2008
Bottomhole Location:	B-17-22S-27E 990 FNL 1980 FEL		
Lat/Long:			
Acreage:	N/320 17-22S-27E Units: A B C D E F G H		
DHC:	No	Consolidation Code:	
		Production Method:	Flowing

Well Test Data

Production Test:		Test Length:	0 hours
Flowing Tubing Pressure:	650 psi	Flowing Casing Pressure:	0 psi
Choke Size:	0.160 inches	Testing Method:	
Gas Volume:	727.0 MCF	Oil Volume:	132.0 bbls
Gas-Oil Ratio:	0 Kcf / bbl	Oil Gravity:	0.0 Corr. API
Disposition of Gas:		Water Volume:	196.0 bbls

Perforations

Date	Top Measured Depth (Where Completion Enters Formation)	Bottom Measured Depth (End of Lateral)	Top Vertical Depth	Bottom Vertical Depth
	9434	9713	0	0

Notes**Event Dates**

Initial Effective/Approval:	03/18/1996	TA Expiration:	
Most Recent Approval:	01/07/2025	Confidential Until:	
Confidential Requested On:		Test Allowable End:	
Test Allowable Approval:		DHC:	
TD Reached:		Rig Released:	
Deviation Report Received:	No	Logs Received:	No
Directional Survey Run:	No	Closure Pit Plat Received:	
Directional Survey Received:	No	First Gas Production:	05/02/1996
First Oil Production:	05/02/1996		
First Injection:		Completion Report Received:	
Ready to Produce:	05/02/1996	New Well C-104 Approval:	
C-104 Approval:	09/25/1996		
Plug Back:		Revoked Until:	
Authorization Revoked Start:	06/22/2017		

Well Completion History

Effective Date	Property	Well Number	Operator	Completion Status	TA Expiration Date
01/07/2025	[336641] SAIK	#001	[372991] American Energy Resources LLC	Active	
10/27/2010	[308584] SAIK	#001	[209564] WILDCAT ENERGY LLC	Active	
01/01/2006	[302160] SAIK	#001	[192463] OXY USA WTP LIMITED PARTNERSHIP	Active	
02/01/1997	[20597] SAIK	#001	[16696] OXY USA INC	Active	
01/01/1997	[20372] SAIK	#001	[2894] BRISTOL RESOURCES CORP	Active	
03/18/1996	[18292] SAIK	#001	[873] APACHE CORPORATION	Active	

Financial Assurance

Financial Assurance

Please login to review the financial assurance associated with this well.

Compliance

Note that Financial Assurance and Inactive Well Compliance are documented in separate reports ([Inactive Well Report](#), [Financial Assurance Report](#)).

Also note that some compliance issues are addressed at the operator level so not listed under each well.

cGC1706129094

Violation Source:
Date of Violation: 03/02/2017
Compliance Required: 06/05/2017
Resolved:

Notes

IDLE WELL

Actions/Events

Event Date	Category	Type
03/02/2017	Enforcements	Plug/Abandonment
03/02/2017	Notifications	Letter of Violation

cTM1720038562

Violation Source: Other
Date of Violation: 07/19/2017
Compliance Required: 10/22/2017
Resolved:

Notes

IDLE WELL

Actions/Events

Event Date	Category	Type
07/19/2017	Enforcements	Other Violation
07/19/2017	Notifications	Letter of Violation

cDA2314421630

Violation Source: Field Inspection
Date of Violation: 05/23/2023
Compliance Required: 08/21/2023
Resolved:

Notes

Actions/Events

Event Date	Category	Type
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cDA2435944155

Violation Source: Field Inspection
Date of Violation: 12/23/2024
Compliance Required: 03/23/2025
Resolved:

Notes

Vegetation around heater treater needs to be cleaned.

Actions/Events

Event Date	Category	Type
12/24/2024	Notifications	Pre Enforcement Notification

Orders

Please login to review the orders associated with this well.

Production / Injection

The production & injection volumes are sourced from monthly production reports (C-115) submissions.

Earliest Production in OCD Records:		12/1992	Last	10/2008			Show All Production		Export to Excel	
Production					Injection					
Time Frame	Oil (BBLS)	Gas (MCF)	Water (BBLS)	Days P/I	Water (BBLS)	Co2 (MCF)	Gas (MCF)	Other	Pressure	
1992 Cumulative	3,721	5,144,654	20,452	198	0	0	0	0	N/A	
1993	116	45,904	3,966	844	0	0	0	0	N/A	
1994	1	39,188	0	396	0	0	0	0	N/A	
1995	100	40,464	3,529	728	0	0	0	0	N/A	
1996	6,895	88,625	325	422	0	0	0	0	N/A	
1997	260	10,118	0	31	0	0	0	0	N/A	
1998	194	18,400	19	245	0	0	0	0	N/A	
1999	300	20,750	16	363	0	0	0	0	N/A	
2000	156	16,552	368	366	0	0	0	0	N/A	
2001	114	12,736	116	351	0	0	0	0	N/A	
2002	95	8,955	0	347	0	0	0	0	N/A	
2003	8	3,537	0	350	0	0	0	0	N/A	
2004	0	1,722	0	318	0	0	0	0	N/A	
2005	45	1,991	0	358	0	0	0	0	N/A	
2006	84	2,942	0	364	0	0	0	0	N/A	
2007	12	5,582	0	365	0	0	0	0	N/A	
2008	0	731	0	130	0	0	0	0	N/A	
2009	0	0	0	151	0	0	0	0	N/A	
2010	0	0	0	59	0	0	0	0	N/A	

2011	0	0	0	0	0	0	0	0	N/A
2012	0	0	0	0	0	0	0	0	N/A
2013	0	0	0	0	0	0	0	0	N/A
2014	0	0	0	0	0	0	0	0	N/A
2015	0	0	0	0	0	0	0	0	N/A
2016	0	0	0	0	0	0	0	0	N/A
2017	0	0	0	0	0	0	0	0	N/A
2018	0	0	0	0	0	0	0	0	N/A
2019	0	0	0	0	0	0	0	0	N/A
2020	0	0	0	0	0	0	0	0	N/A
2021	0	0	0	0	0	0	0	0	N/A
Grand Total:	12,101	5,462,851	28,791	6,386	0	0	0	0	N/A

Transporters

Transporter	Product	Most Recent for Property
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Points of Disposition

ID	Type	Description	Pool(s)
2804606	Water		[73960] CARLSBAD;MORROW, SOUTH (GAS), [74040] CARLSBAD;STRAWN (GAS), [74160] CARLSBAD;WOLFCAMP, EAST (GAS)
2804605	Gas		[74160] CARLSBAD;WOLFCAMP, EAST (GAS)
2804604	Oil		[74160] CARLSBAD;WOLFCAMP, EAST (GAS)

Inactive Well List

Total Well Count: 9 Inactive Well Count: 3
Printed On: Tuesday, February 25 2025

District	API	Well	ULSTR	OCD Unit	Ogrid	Operator	Lease Type	Surface Owner	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-015-23801	RIO PENASCO KD COM #003	A-11-19S-25E	A	372991	American Energy Resources LLC	P	P	G	11/1996			
2	30-015-20971	SAIK #001	B-17-22S-27E	B	372991	American Energy Resources LLC	P	P	G	10/2008	INT TO P&A EXPIRED 5/11/2010		
1	30-025-24876	SHIPP 27 #001	O-27-16S-37E	O	372991	American Energy Resources LLC	P	P	O	12/2009	STRAWN		

WHERE Operator:372991, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

Exhibit 2

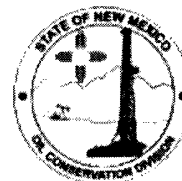
State of New Mexico

Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Response Required - Deadline Enclosed

02-Mar-17

WILDCAT ENERGY LLC
P.O. BOX 13323
ODESSA TX 79768-

LETTER OF VIOLATION - Inactive Well(s)

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 19.15.25.8 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that this well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection or disposal as applicable.
2. Request 'Temporary Abandoned' status pursuant to Rule 19.15.25.13, which requires that you set a plug and conduct a mechanical integrity test.
3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 19.15.25.9, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

IDLE WELL INSPECTION DETAIL SECTION

SAIK 001	B-17-22S-27E	30-015-20971-00-00	Inspection No. iGC1706128844
Inspection Date:	3/2/2017 8:00:42 AM	Corrective Action Due by:	6/5/2017
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Gilbert Cordero	Yes	No
Comments on Inspection:	Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 10-1-08		

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,


Compliance Officer

Artesia OCD District Office

* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.

Oil Conservation Division * 811 S. First St. * Artesia, New Mexico 88210

Phone: 575-748-1283 * Fax: 575-748-9720 * <http://www.emnrd.state.nm.us>

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico Energy, Minerals and Natural Resources

Form C-145
Revised May 19, 2017

Permit 380818

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Change of Operator

Previous Operator Information

OGRID: 209564
Name: WILDCAT ENERGY LLC
Address: P.O. Box 13323

City, State, Zip: Odessa, TX 79768

New Operator Information

Effective Date: Effective on the date of approval by the OCD
OGRID: 372991
Name: American Energy Resources LLC
Address: P.O. BOX 114

City, State, Zip: Hagerman, NM 88232

I hereby certify that the rules of the Oil Conservation Division ("OCD") have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, American Energy Resources LLC certifies that it has read and understands the following synopsis of applicable rules.

PREVIOUS OPERATOR certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells being transferred are either (1) in compliance with 19.15.17 NMAC, (2) have been closed pursuant to 19.15.17.13 NMAC or (3) have been retrofitted to comply with Paragraphs 1 through 4 of 19.15.17.11(I) NMAC.

American Energy Resources LLC understands that the OCD's approval of this operator change:

1. constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

Exhibit 4

As the operator of record of wells in New Mexico, American Energy Resources LLC agrees to the following statements:

1. Initials AR I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand that the OCD's rules are available on the OCD website under "Rules," and that the Water Quality Control Commission rules are available on the OCD website on the "Publications" page.
2. Initials AR I understand that if I acquire wells from another operator, the OCD must approve the operator change before I begin operating those wells. See Subsection B of 19.15.9.9 NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing inactive wells or environmental cleanup, before the OCD will approve the operator change it may require me to enter into an enforceable agreement to return those wells to compliance. See Paragraph (2) of Subsection C of 19.15.9.9 NMAC.
3. Initials AR I must file a monthly C-115 report showing production for each non-plugged well completion for which the OCD has approved an allowable and authorization to transport, and injection for each injection well. See 19.15.7.24 NMAC. I understand that the OCD may cancel my authority to transport from or inject into all the wells I operate if I fail to file C-115 reports. See Subsection C of 19.15.7.24 NMAC.
4. Initials AR I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed in approved temporary abandonment. See 19.15.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment in 19.15.25 NMAC. I understand that I can check my compliance with the basic requirements of 19.15.25.8 NMAC by using the "Inactive Well List" on OCD's website.
5. Initials AR I must keep current with financial assurances for well plugging. I understand that New Mexico requires each state or fee well that has been inactive for more than two years and has not been plugged and released to be covered by a single-well financial assurance or a "blanket plugging financial assurance for wells in temporarily abandoned statuses", even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See Subsection C of 19.15.8.9 NMAC. I understand that I can check my compliance with the financial assurance requirement by using the "Inactive Well Additional Financial Assurance Report" on the OCD's website.
6. Initials AR I am responsible for reporting and remediating releases pursuant to 19.15.29 NMAC. I understand the OCD will look to me as the operator of record to take corrective action for releases at my wells and related facilities, including releases that occurred before I became operator of record. I am responsible for conducting my own due diligence for any releases that have occurred prior to becoming operator of my wells and related facilities and am responsible for any open releases or unreported releases.
7. Initials AR I have read 19.15.5.9 NMAC, commonly known as "Part 5.9," and understand that to be in compliance with its requirements I must have the appropriate financial assurances in place, comply with orders requiring corrective action, pay penalties assessed by the courts or agreed to by me in a settlement agreement, and not have too many wells out of compliance with the inactive well rule (19.15.25.8 NMAC). If I am in violation of Part 5.9, I may not be allowed to drill, acquire or produce any additional wells, and will not be able to obtain any new injection permits. See 19.15.16.19 NMAC, 19.15.26.8 NMAC, 19.15.9.9 NMAC and 19.15.14.10 NMAC. If I am in violation of Part 5.9 the OCD may, after notice and hearing, revoke my existing injection permits and seek other relief. See 19.15.26.8 NMAC and 19.15.5.10 NMAC.
8. Initials AR For injection wells, I understand that I must report injection on my monthly C-115 report and must operate my wells in compliance with 19.15.26 NMAC and the terms of my injection permit. I understand that I must conduct mechanical integrity tests on my injection wells at least once every five years. See 19.15.26.11 NMAC. I understand that when there is a continuous one-year period of non-injection into all wells in an injection or storage project or into a saltwater disposal well or special purpose injection well, authority for that injection automatically terminates. See 19.15.26.12 NMAC. I understand that if I transfer operation of an injection well to another operator, the OCD must approve the transfer of authority to inject, and the OCD may require me to demonstrate the well's mechanical integrity prior to approving that transfer. See 19.15.26.15 NMAC.
9. Initials AR I am responsible for providing the OCD with my current address of record and emergency contact information, and I am responsible for updating that information when it changes. See Subsection C of 19.15.9.8 NMAC. I understand that I can update that information on the OCD's website under "Electronic Permitting."
10. Initials AR If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See Subsection B of 19.15.9.9 NMAC. I remain responsible for the wells and related facilities and all related regulatory filings until the OCD approves the operator change. I understand that the transfer will not relieve me of responsibility or liability for any act or omission which occurred while I operated the wells and related facilities.
11. Initials AR No person with an interest exceeding 25% in the undersigned company is, or was within the last 5 years, an officer, director, partner or person with a 25% or greater interest in another entity that is not currently in compliance with Subsection A of 19.15.5.9 NMAC.
12. Initials AR NMOC Rule Subsection E and F of 19.15.16.8 NMAC: An operator shall have 90 days from the effective date of an operator name change to change the operator name on the well sign unless the division grants an extension time, for good cause shown, along with a schedule for making the changes. Each sign shall show the (1) well number, (2) property name, (3) operator's name, (4) location by footage, quarter-quarter section, township and range (or unit letter can be substituted for the quarter-quarter section), and (5) API number.

I hereby certify I understand the above. The statements I have made are true and correct and a condition precedent to the Oil Conservation Division accepting this Change of Operator.

Previous OperatorSignature: RL BeckerPrinted
Name: R L BeckerTitle: Manager / PresidentDate: 1/6/25Phone: 432-528-8613**New Operator**Signature: [Signature]Printed
Name: Jonathan SamaniegoTitle: RepresentativeDate: 1/7/25Phone: 575-499-7330

Permit 380818

NMOCD ApprovalElectronic Signature(s): Rob Jackson, District 2Date: January 07, 2025

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Wells Selected for Transfer

Permit 380818

1 Well Selected for Transfer

From:	WILDCAT ENERGY LLC	OGRID:	209564
To:	American Energy Resources LLC	OGRID:	372991

OCD District: Artesia (1 Well selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
336641	SAIK #001	P	B-17-22S-27E	B	30-015-20971			G

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-20971	² Pool Code 74160	³ Pool Name Carlsbad; Wolfcamp East (Gas)
⁴ Property Code 18292	⁵ Property Name SAIK	⁶ Well Number #001
⁷ OGRID No. 372991	⁸ Operator Name American Energy Resources LLC	⁹ Elevation 3122' GR

¹⁰ Surface Location

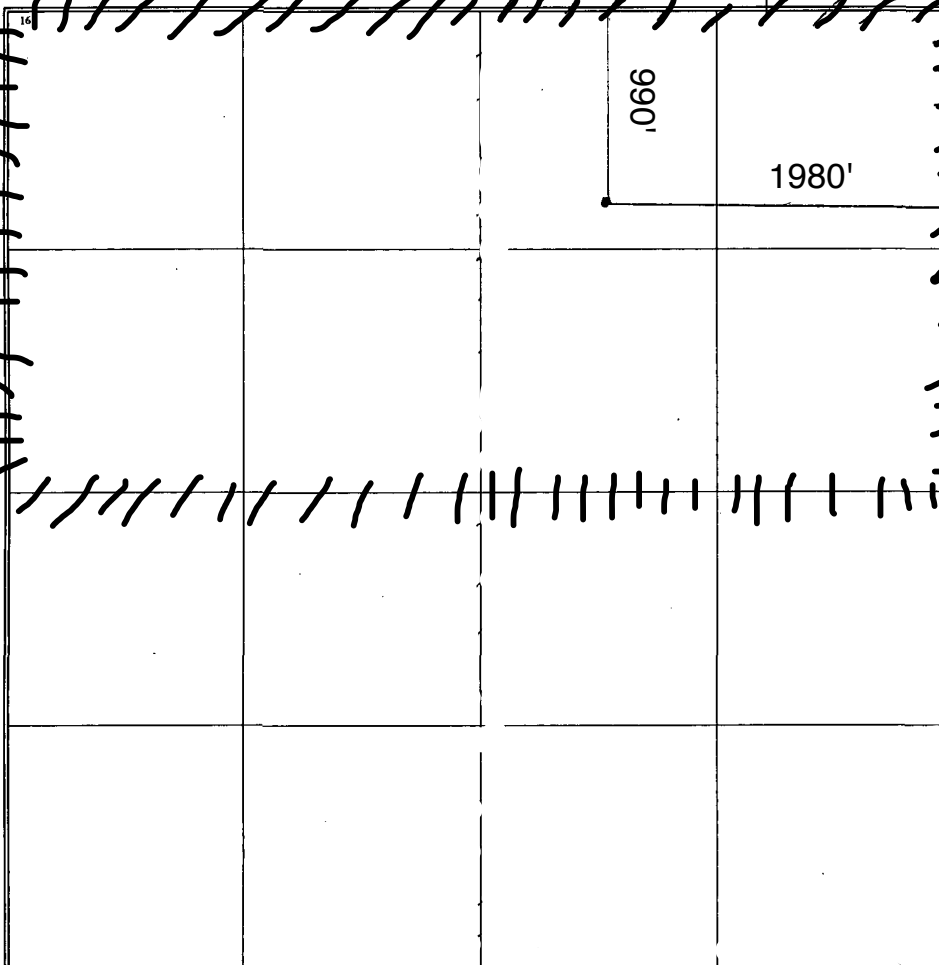

UL or lot no. B	Section 17	Township 22S	Range 27E	Lot Idn	Feet from the 990	North/South line N	Feet from the 1980	East/West line E	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. B	Section 17	Township 22S	Range 27E	Lot Idn	Feet from the 990	North/South line N	Feet from the 1980	East/West line E	County EDDY
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¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered with the division. Signature:  Date: _____ Printed Name: Jonathan Samaniego E-mail Address: _____
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: _____ Signature and Seal of Professional Surveyor: _____ Certificate Number: _____

Well: Saik No. 1

Location: 990' FNL & 1980' FEL
Sec 17, T22S, R27E

Spud: 12/7/73

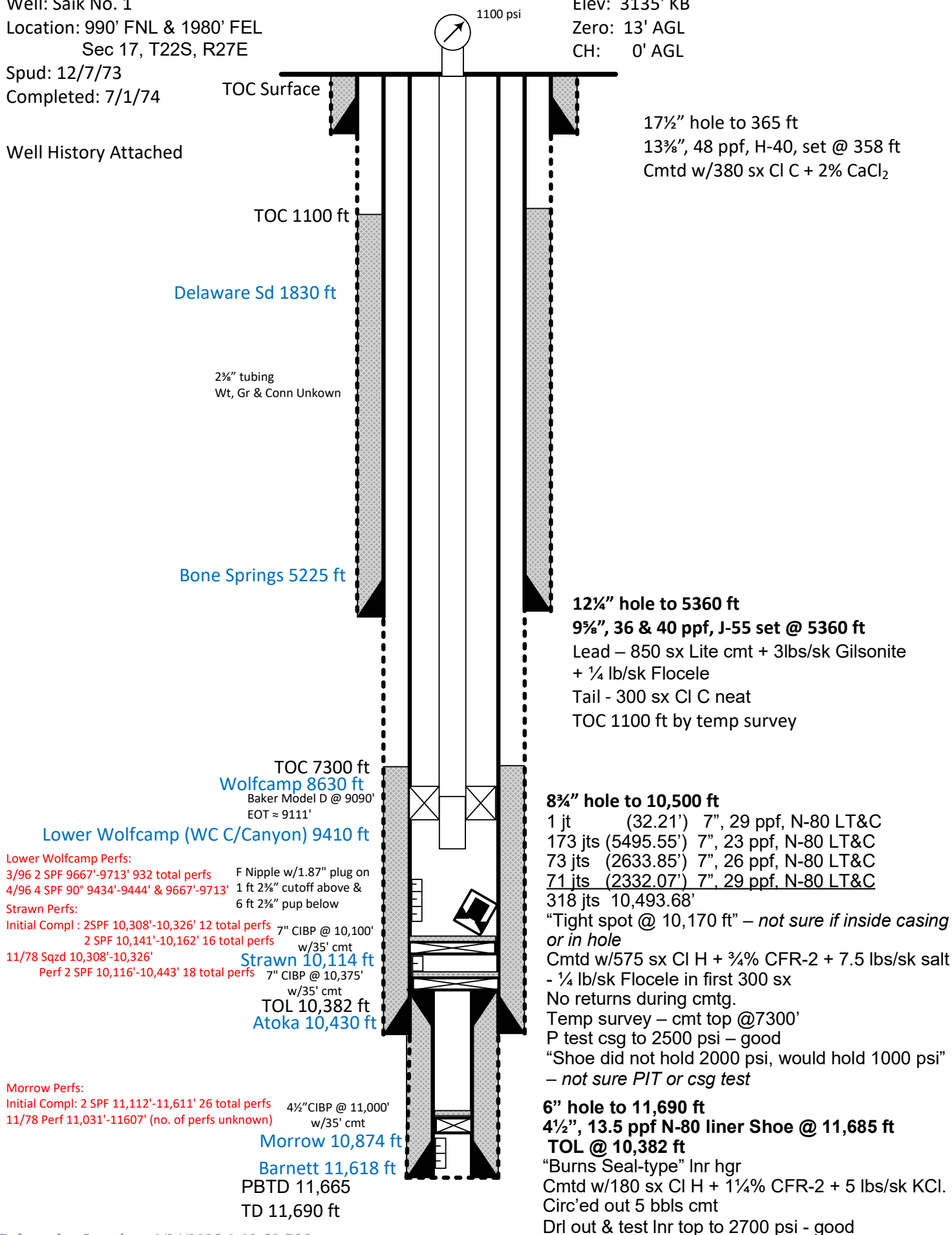
Completed: 7/1/74

Well History Attached

Elev: 3135' KB

Zero: 13' AGL

CH: 0' AGL



SAIK # 1

API-30-015-20971

B-17-22S-27E 990 FNL 1980 FEL

LAT/LONG- 32.3971138,-104.2098923 NAD83

ELEV-3122

1. Move in and rig up well test equipment.
2. Rig up valve greasing unit.
3. Grease valves and perform function test on valves. If ok go to step 4.
4. Check/record tubing annulus pressure.
5. Test casing annulus to 500 psi for 30 minutes. Record same on chart.
6. Move in and rig up wireline unit.
7. Run TDT log to evaluate recompletion in Bone Spring/ Upper Wolfcamp.
8. Shut well in. Evaluate log.
9. Recompletion sundry to follow after log evaluation.

Santa Fe Main Office
Phone: (505) 476-3441 Fax: (55) 476-3462
General Information
Phone: (505) 629-6116

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

Online Phone Directory Visit:
<https://www.emnrd.nm.gov/ocd/contact-us/>

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		WELL API NO. 30-015-20971 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> 6. State Oil & Gas Lease No.
2. Name of Operator AMERICAN ENERGY RESOURCES LLC		7. Lease Name or Unit Agreement Name SAIK
3. Address of Operator P.O.Box 114 Hagerman, NM 88232		8. Well Number #001
4. Well Location Unit Letter <u>B</u> : <u>990</u> feet from the <u>N</u> line and <u>1980</u> feet from the <u>E</u> line Section <u>17</u> Township <u>22S</u> Range <u>27E</u> NMPM County <u>EDDY</u>		9. OGRID Number 372991
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3122 GR		10. Pool name or Wildcat CARLSBAD WOLFCAMP, EAST

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>		OTHER: <input type="checkbox"/>	
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>			

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

See attached work program and wellbore diagram.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE Representative DATE 1/13/2025

Type or print name Jonathan Samaniego E-mail address: energy.jrs@gmail.com PHONE: (575)499-7330

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 423058

CONDITIONS

Operator: American Energy Resources LLC P.O. BOX 114 Hagerman, NM 88232	OGRID: 372991
	Action Number: 423058
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmccclure	In the future, submit sundries like this one as a [C-103] NOI Workover (C-103G).	1/24/2025
dmccclure	All conducted logs shall be submitted to the Division as a [UF-WL] EP Well Log Submission (WellLog).	1/24/2025
dmccclure	Approval is granted to evaluate the well, but approval of this sundry does NOT grant approval to conduct recompletion or remedial actions.	1/24/2025

Exhibit D

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

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

APPLICATION

CASE No. _____

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

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

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

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

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

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

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

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

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

5. Furthermore, Alpha has a total well count of four (4) wells, three (3) wells of which are currently listed as inactive. See under 19.15.5.9 A(4)(a) NMAC, an operator is out of compliance if the operator has more than "two wells or fifty percent of the wells the operator operates, whichever is less, if the operator operates 100 wells or less." Alpha operates a total of four (4) wells with three (3) wells, listed as inactive; consequently, Alpha is out of compliance with the Oil and Gas Act, OCD rules, and State law.

6. Pursuant to 19.15.25.8A and B NMAC, an operator of a well "shall plug" the well

within 90 days after "a period of one year in which a well has been continuously inactive."

19.15.25.8B(3) NMAC.

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

attached hereto as (Exhibit 3a),

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

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

•

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

attached hereto as (Exhibit 3c).

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

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

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

Lease holder of the Kodiak #002 is: Mewbourne

Lease Holder of the Saik #001 is: American

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

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

I understand that New Mexico requires wells that have been inactive for certain

time periods to be plugged or placed in approved temporary abandonment. See

19.15.25.8 NMAC. I understand the requirements for plugging and approved

temporary abandonment in 19.15.25 NMAC.

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

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

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

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

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

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

13. In sum, by Alpha filing a Change of Operator with the Division and acquiring the rights to the Colonia A, Tracy B, Kodiak Wells, Alpha has acquired only the personal property of salvage materials with no property rights except the obligation to plug the well and clean up and remediate any and all contaminants in the well's vicinity.

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

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

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

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

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

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

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

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

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

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

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

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

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

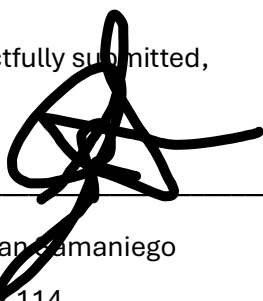
C. Staying any and all efforts and activities by Alpha or its affiliates, subsidiaries, farmout, or agreements and any and all applications filed by Alpha to drill, permit, compulsory pool, re-enter, re-complete, and/or produce the Colonia A, Tracy B, Kodiak Wells until Alpha obtains an order from a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

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

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

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

Respectfully submitted,

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

Jonathan Zamaniego

P.O. Box 114

Hagerman, NM 88232

Representative for American Energy Resources LLC

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

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



Exhibit E

Jonathan Samaniego <energy.jrs@gmail.com>

American application 447379

Tschantz, Freya, EMNRD <Freya.Tschantz@emnrd.nm.gov>
To: Jonathan Samaniego <energy.jrs@gmail.com>

Thu, Apr 3, 2025 at 8:24 AM

I erroneously docketed Alpha's application. I have since been advised that the Division will not accept enforcement applications brought by one operator against another. Alpha's application has since been rejected and will not be docketed.

Respectfully,

Freya Tschantz, Law Clerk

EMNRD-Oil Conservation Division

From: Jonathan Samaniego <energy.jrs@gmail.com>
Sent: Wednesday, April 2, 2025 5:09 PM
To: Tschantz, Freya, EMNRD <Freya.Tschantz@emnrd.nm.gov>
Subject: [EXTERNAL] American application 447379

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

[Quoted text hidden]

(EXHIBIT 9a)

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
AEP II OPERATING, LLC**

**CASE NO. 25166
ORDER NO. R-23961**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on March 4, 2025, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

1. AEP II Operating, LLC (“Applicant”) submitted an application to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A on October 8, 2024, in Case No. 24944.
2. Applicant submitted an amended application (“Application”) to compulsory pool the uncommitted oil and gas interests within the Unit on January 14, 2025. The Application was amended to request that Paloma Permian AssetCo, LLC (“Paloma”) be designated as the operator of the Unit.
3. Case No. 24944 was dismissed under Order No. R-23668 issued on January 28, 2025.
4. Applicant will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
5. Applicant proposes the supervision and risk charges for the Well(s) described in Exhibit A.
6. Applicant identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
7. The Application was heard by the Hearing Examiner on the date specified above, during which Applicant presented evidence through affidavits in support of the Application.
8. Covenant Hercules, LLC, Christian Capstone, LLC, Crusader Royalties, LLC, Chief Capital II, LLC, and American Energy Resources, LLC (“AER”) filed motions to dismiss Case No. 25166. Each motion was denied during the hearing (TR pg. 19 and 39).

9. AER objected to the hearing proceeding by affidavit on January 29, 2025. AER did not present a case in chief or cross examine Applicant's witnesses. AER is the operator of record for the Saik No. 1 well (API No. 30-015-20971) which is in the Northwest quarter of the Northeast quarter of Section 17 in Township 22 South and Range 27 East and is reported to be completed in the Wolfcamp formation ("Saik Well"). At hearing, Applicant presented evidence in the form of affidavits and sworn expert testimony as to whether AER has an interest in the Unit.
 - a. Applicant provided a summary of ownership in the Unit that does not include an interest owned by AER.
 - b. Applicant asserts that AER believes it has interest in the Unit due to its involvement with the Saik Well. Applicant testified that AER does not own wellbore or leaseholder rights in the Unit (TR pg. 92-93).
 - c. Applicant testified that AER does not have an interest in the Unit (TR pg. 93).
10. Warren and Lillie Anderson ("Andersons") objected to the hearing proceeding by affidavit on or about February 11, 2025. In their objection, Andersons stated that Applicant negotiated in bad faith. At hearing, Applicant's expert submitted an affidavit that it negotiated in good faith as follows:
 - a. Applicant was in regular communication with Andersons:
 - i. On August 21, 2024, well proposals were sent.
 - ii. On September 30, 2024, discussions regarding interest and potentially leasing occurred.
 - iii. Between September 2024 and October 8, 2024, ongoing discussions to reach an agreement occurred.
 - b. Andersons own 0.275482 acres of unleased mineral interest in the Unit.
 - c. Applicant offered to lease Andersons' unleased mineral interest for \$3,000 per acre and 25% royalty for a 3-year lease with an option to extend the lease for an additional 2 years for \$3,000 per acre.
 - d. Applicant testified that its lease offer to Andersons was above and beyond fair market value.
 - e. Andersons offered to allow Applicant to lease Anderson's unleased mineral interest for \$12,000 per acre and 50% royalty with an additional payment. It is unclear whether the additional payment was in the amount of \$50,000 or \$100,000 (TR pg. 124-125).
 - f. Applicant testified that it negotiated with Andersons in good faith.

CONCLUSIONS OF LAW

11. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
12. Applicant is the owner of an oil and gas working interest within the Unit.
13. Applicant satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
14. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
15. AER did not provide evidence that demonstrates AER has an interest in the Unit.
16. NMSA 1978, Section 70 does not define what constitutes as “good faith” effort, therefore good faith effort claims are reviewed by OCD on a case-by-case basis. The Oil Conservation Commission issued Order R-21679-D on July 14, 2022, which utilizes criteria established in Order R-13165 issued on September 15, 2009. The relevant part of Findings Paragraph 5 of Order R-13165 states:

*“(d) The issue of compliance with the more subjective requirement the Division has customarily recognized for good faith negotiation is better examined in these cases, and in most cases, at the compulsory pooling hearing, **based upon a full evidentiary record...**[emphasis added]”*

Thus, based upon evidence received at the hearing and in the administrative record, Applicant negotiated with Andersons in good faith.

17. Applicant has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
18. The Unit contains separately owned uncommitted interests in oil and gas minerals.
19. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
20. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
21. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

22. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
23. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
24. Paloma is designated as operator of the Unit and the Well(s).
25. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Applicant shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
26. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Applicant shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
27. The Applicant shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
28. This Order shall terminate automatically if the Applicant fails to comply with the preceding paragraph unless the Applicant requests an extension by notifying the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the extension is automatically granted up to one year. If a protest is received the extension is not granted and the Applicant must set the case for a hearing.
29. Applicant may propose reasonable deviations from the development plan via notice to the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the deviation is automatically granted. If a protest is received the deviation is not granted and the Applicant must set the case for a hearing.
30. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
31. Applicant shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
32. No later than thirty (30) days after Applicant submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of

- production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Applicant no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
33. No later than one hundred eighty (180) days after Applicant submits a Form C-105 for a well, Applicant shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
 34. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Applicant its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Applicant shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
 35. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
 36. No later than within ninety (90) days after Applicant submits a Form C-105 for a well, Applicant shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
 37. Applicant may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

38. Applicant may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
39. Applicant shall distribute a proportionate share of the costs and charges withheld pursuant to the preceding paragraph to each Pooled Working Interest that paid its share of the Estimated Well Costs.
40. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Applicant shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
41. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
42. Except as provided above, Applicant shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 et seq., and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 et seq.
43. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Applicant shall inform OCD no later than thirty (30) days after such occurrence.
44. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

Albert Chang

**ALBERT CHANG
DIRECTOR**

AC/dm

Date: 9/8/2025

CASE NO. 25166
ORDER NO. R-23961

Page 7 of 7

R-23961 EXHIBIT A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 25166	APPLICANT'S RESPONSE
Date: March 4, 2025 (Scheduled hearing)	
Applicant	Alpha Energy Partners II, LLC
Designated Operator & OGRID (affiliation if applicable)	Paloma Permian AssetCO, LLC, OGRID No. 332449
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.
Case Title:	APPLICATION OF ALPHA ENERGY PARTNER II, LLC, FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Covenant Hercules, LLC Christian Capstone, LLC Crusader Royalties, LLC Chief Capital (O&G) II LLC Permian Resources Operating, LLC American Energy Resources LLC Jonathan Samaniego Warren and Lilli Anderson
Well Family	Hollywood Star Fee 17-18
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp formation
Pool Name and Pool Code:	Purple Sage Wolfcamp; Pool Code: [98220]
Well Location Setback Rules:	Division's Special Rules for the Purple Sage Wolfcamp Pool as established in Order No. R-14262.
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	1267.84-acre, more or less
Building Blocks:	Quarter Sections (160 Acre Blocks)
Orientation:	West to East
Description: TRS/County	All of Section 17 and Section 18, in Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes, Standard Spacing Unit
Other Situations	
Depth Severance: Y/N. If yes, description	No, N/A
Proximity Tracts: If yes, description	Yes, S/2 of Sections 17 and 18, T22S-R27E
Proximity Defining Well: if yes, description	Yes, Hollywood Star 17-18 Fee 802H
Applicant's Ownership in Each Tract	See Exhibit A-2, breakdown of ownership
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Hollywood Star 17-18 Fee 701H Well (API No. 30-015-Pending) SHL: Unit L, 1,651' FSL, 180' FWL, Section 16, T22S-R27E; BHL: Lot 4, 724 FSL, 200' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico, laydown, standard
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 701H Well: FTP: Unit P, 724' FSL, 330' FEL, Section 17, T22S-R27E LTP: Lot 4, 724' FSL, 330' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 701H Well: TVD approx. 8,809', TMD 19,150'; Wolfcamp formation, See Exhibit A, A-1 & B-2
Well #2	Hollywood Star 17-18 Fee 702H Well (API No. 30-015-Pending) SHL: Unit L, 1,671' FSL, 180' FWL, Section 16, T22S-R27E; BHL: Lot 3, 2,024' FSL, 200' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico, laydown,

R-23961 EXHIBIT A

Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee Com 702H Well: FTP: Unit I, 2,024' FSL, 330' FEL, Section 17, T22S-R27E LTP: Lot 3, 2,024' FSL, 330' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 702H Well: TVD approx. 8,809', TMD 19,150'; Wolfcamp formation, See Exhibit A, A-1 & B-2
Well #3	Hollywood Star 17-18 Fee 703H Well (API No. 30-015-Pending) SHL: Unit L, 2,421' FSL, 180' FWL, Section 16, T22S-R27E; BHL: Lot 2, 1,960' FNL, 200' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico, laydown,
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 703H Well: FTP: Unit H, 1,960' FNL, 330' FEL, Section 17, T22S-R27E LTP: Lot 2, 1,960' FNL, 330' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 703H Well: TVD approx. 8,809', TMD 19,150'; Wolfcamp formation, See Exhibit A, A-1 & B-2
Well #4	Hollywood Star 17-18 Fee 704H Well (API No. 30-015-Pending) SHL: Unit L, 2,441' FSL, 180' FWL, Section 16, T22S-R27E; BHL: Lot 1, 660' FNL, 200' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico, laydown, standard
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 704H Well: FTP: Unit A, 660' FNL, 330' FEL, Section 17, T22S-R27E LTP: Lot 1, 660' FNL, 330' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 704H Well: TVD approx. 8,809', TMD 19,150'; Wolfcamp formation, See Exhibit A, A-1 & B-2
Well #5	Hollywood Star 17-18 Fee 801H Well (API No. 30-015-Pending) SHL: Unit L, 1,691' FSL, 180' FWL, Section 16, T22S-R27E; BHL: Lot 3, 1,374' FSL, 200' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico, laydown,
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 801H Well: FTP: Unit I, 1,374' FSL, 330' FEL, Section 17, T22S-R27E LTP: Lot 3, 1,374' FSL, 330' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 801H Well: TVD approx. 9,402', TMD 19,725'; Wolfcamp formation, See Exhibit A, A-1 & B-2
Well #6	Hollywood Star 17-18 Fee 802H Well (API No. 30-015-Pending) SHL: Unit L, 1,711' FSL, 180' FWL, Section 16, T22S-R27E; BHL: Lot 2, 2,610' FNL, 200' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico, laydown,
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 802H Well: FTP: Unit H, 2,610' FNL, 330' FEL, Section 17, T22S-R27E LTP: Lot 2, 2,610' FNL, 330' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 802H Well: TVD approx. 9,402', TMD 19,725'; Wolfcamp formation, See Exhibit A, A-1 & B-2
Well #7	Hollywood Star 17-18 Fee 803H Well (API No. 30-015-Pending) SHL: Unit L, 2,401' FSL, 180' FWL, Section 16, T22S-R27E; BHL: Lot 1, 1,310' FNL, 200' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico, laydown,
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 803H Well: FTP: Unit A, 1,310' FNL, 330' FEL, Section 17, T22S-R27E LTP: Unit 1, 1,310' FNL, 330' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 803H Well: TVD approx. 9,402', TMD 19,725'; Wolfcamp formation, See Exhibit A, A-1 & B-2

R-23961 EXHIBIT A

AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8500, Exhibit A
Production Supervision/Month \$	\$850, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	All uncommitted WI owner; including as shown on Exhibit A-2
Unlocatable Parties to be Pooled	Exhibit A, Para. 20
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1, B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4, B-5
Well Orientation (with rationale)	Exhibit B, B-1, B-3
Target Formation	Exhibit B-2, B-4, B-5
HSU Cross Section	Exhibit B-2, B-4, B-5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-1, B-1, B-2, B-3
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2, B-4, B-5, B-6
Cross Section (including Landing Zone)	Exhibit B-4, B-5, B-6
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	/s/ <i>Darin Savage</i>
Date:	25-Feb-25

Reception: 2407955 Book: 1184 Page: 0350 Pages: 3
Recorded: 07/03/2024 11:41 AM Fee: \$25.00
Eddy County, New Mexico ~ Cara Cooke, County Clerk
eRecorded Document



RN

ASSIGNMENT OF OIL AND GAS LEASES

Exhibit 6

STATE OF NEW MEXICO §
§
COUNTY OF EDDY §

In consideration of ten dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **Uplift Energy, LLC**, an Oklahoma limited liability company whose address is P.O. Box 10701, Midland, TX 79702 ("Assignor"), does hereby grant, assign, and convey unto **Alpha Energy Partners II, LLC**, a Texas limited liability company whose address is P.O. Box 10701, Midland, Texas 79702 ("Assignee"), all of Assignor's right, title, and interest in and to the following:

1. Oil and gas leases (the "Leases") that cover lands in Section 17, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico (the "Lands"), including but not limited to all leasehold estates, operating rights, working interests, net revenue interests, and overriding royalty interests.
2. Existing and effective pooling and communization agreements, pooling declarations, and pooling orders, to the extent same include the Leases and Lands.
3. All beneficial and contractual rights relating to the Leases, including but not limited to the beneficial and contractual rights arising under any operating agreements, farmout agreements or other agreements relating to the Leases and Lands.
4. The oil, gas, condensate, casinghead gas, plant products, and other hydrocarbons, whether liquid or gaseous, in, on, or under or that may be produced from any wells on the Lands or lands pooled therewith, together with all proceeds thereof.

This instrument is delivered by Assignor to Assignee with NO warranty of title, express or implied, and is made subject to (i) a conveyance of an overriding royalty interest in the Leases executed by Assignor to Bravo Energy Holdings, LLC, on even date hereof, and (ii) all matters of record with the County Clerk of Eddy County, New Mexico, as of the Effective Time hereof.

The terms and provisions of this instrument shall inure to the benefit of Assignor and Assignee and their legal representatives, successors, and assigns.

This instrument may be executed in multiple counterparts, each of which shall be considered an original for all purposes, and for purposes of filing this instrument of record each original counterpart may be combined to form a single document.

This instrument is executed and delivered as of the acknowledgement dates below, but is dated to be effective for all purposes as of June 14, 2024 at 12:02 a.m. local time of the Lands (the "Effective Time").

ASSIGNOR:

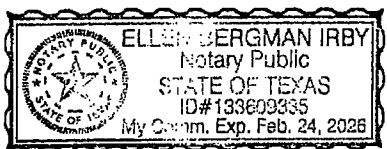
Uplift Energy, LLC,
an Oklahoma limited liability company

By: P. Nick Maxwell
Name: P. Nick Maxwell
Title: Authorized Representative

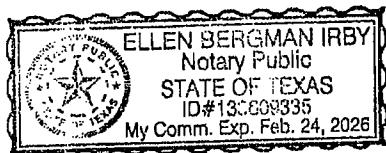
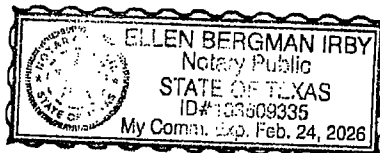
ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 2 day of July, 2024, by P. Nick Maxwell, Authorized Representative of Uplift Energy, LLC, an Oklahoma limited liability company, on behalf of said company.



Ellen Bergman Irby
NOTARY PUBLIC, State of Texas



ASSIGNEE:

Alpha Energy Partners II, LLC,
a Texas limited liability company

By: P. Nick Maxwell

Name: P. Nick Maxwell

Title: CEO

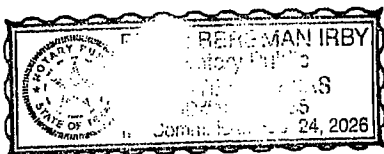
ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF MIDLAND §

This instrument was acknowledged before me on this 2 day of July, 2024, by P. Nick Maxwell, CEO of Alpha Energy Partners II, LLC, a Texas liability company, on behalf of said company.



Ellen Bergman Irby
NOTARY PUBLIC, State of Texas

