

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

**IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF CONSIDERING:
APPLICATION OF ALPHA ENERGY PARTNER,
LLC FOR COMPULSORY POOLING,
AND, TO THE EXTENT NECESSARY, APPROVAL
OF AN OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO.**

**Case No. 25496, Order NO. R-23989
Case No. 25166, Order NO. R-23961**

APPLICATION FOR HEARING DE NOVO

COMES NOW, Warren and Lillie Anderson adversely impacted by Order NO. R-23989 in Case No. 25496 and Order NO. R-23961 in Case No. 25166, and hereby applies for a hearing de novo before the full Commission, pursuant to NMSA 1978, Section 70-2-13, at the next available Commission.

I, Warren Anderson, an interest owner in the lands subject to this application, respectfully submit this written objection to the proposed compulsory pooling and the imposition of the Modified 1989 AAPL Joint Operating Agreement (JOA) as presented by Paloma Permian Asset Company ("Operator").

Unfair Modifications to the JOA - The proposed operating agreement departs from the standard 1989 AAPL form in ways that disproportionately burden landowners and non-operators. These include but are not limited to:

1. Expanded operator authority without adequate consent rights for non-operators.
2. Increased non-consent penalties beyond industry standard.
3. Inflated or excessive overhead charges.

4. Limitations on audit rights and transparency.

5. Reduced operator obligations regarding insurance and indemnity.

6. Unreasonable Cost Shifting - The modifications shift financial risk and liability from the operator onto landowners and non-operators, which is inconsistent with fair and equitable development.

7. Due Process and Fairness - Compulsory pooling under New Mexico law must provide for just and reasonable terms. The modified JOA, as drafted, is not fair and equitable to affected interest owners.

I also believe that the modified JOA and compulsory pooling agreement is deficient and unfair without a Pugh Clause that would protect my rights as a lessor from having my entire property held under lease by production from a very small portion of the land. Language which guarantees that operations from a pooled unit will only apply to the direct portion of land pooled without effecting my land or mineral rights as to the rest of my land, is necessary to ensure fairness.

I respectfully request that the Division, (1) deny approval of the proposed Modified JOA in its current form; (2) condition any pooling order on use of the unmodified 1989 AAPL form, or (3) require revisions to ensure fairness to all interest owners. In the alternative we request a de novo hearing to reconsider these issues and ensure a fair and equitable outcome for all parties involved.

Respectfully submitted,

By: Warren Anderson
Warren Anderson

By: Lillie Anderson
Lillie Anderson

October 9, 2025