

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

REPLY TO ALPHA RESPONSE TO AMERICAN RESPONSE TO
ALPHA MOTION FOR AN EVIDENTIARY HEARING 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 Reply (“Reply”) to Alpha Energy Partners II LLC (“AEP”) Response to American Response to Alpha’s Motion for an Evidentiary Hearing to Determine Whether the Saik #001 Well Should be Plugged. In support of its Reply, American states the following:

A. Introduction

1. In the status conference on November 13, 2025, the OCC Counsel erroneously advised that “maybe it’s time to peel off the Band-Aid in this particular case,” noting that above-referenced cases (“Subject Cases”) could provide an frivolous opportunity for the Oil Conservation Division (“Division” or “OCD”) to scheme to resolve issues and “reach finality on the status of the [Saik] well.” Transcript (“Tr.”) dated Nov. 13, 2025, Case Nos. 25694-25695 at 40: 4-19. Through a frivolous evidentiary hearing, the Commission would have the opportunity to scheme in “peeling off the Band-Aid” and scheme to resolve a number of issues that have been self-portrayed by Alpha of festering under the operation of the Saik #001 Well (API No. 30-015-20971) (“Saik Well”) since 2017, the year the Energy, Minerals, and Natural Resources Department (“EMNRD”) issued the Letter of Violation to the Operator Wildcat of the Saik Well dated **June 22, 2017**, the prior operator, the (“Wildcat NOV Letter”).

2. Not only would a hearing on the status of the Saik Well be frivolous, arbitrary, capricious, and would be overreaching and abuse of regulatory duties to unconstitutionally resolve self-portrayed false issues, but such an erroneous hearing could falsely frivolously resolve the de novo appeal unjustly and unethically, and the Commission has a legal obligation to exhaust all administrative options capable of resolving the dispute at the agency level before referral to district court. See U.S. West Commc’ns, Inc. v. N.M. State Corp. Comm’n, 1998NMSC-032. When a new operator executes a C-145 Change of Operator Form, that operator assumes all responsibility and liability for the well, including existing violations when deemed and/or ordered necessary by the OCD/OCC, to the Current operator at the time, as federal law requires under due process. See the Wildcat NOV Letter, The Commission is unaware of these false portrayed existing allegations that the Saik Well constitutes an orphan well and addressing orphan wells, though American has adequate financial assurances and is operating within New Mexico laws.

Particularly Alpha four older wells that are in deteriorated condition, all four abandoned wells in the city limits and in public health, should be the current priority within EMNRD, as Alpha as an imprudent operator does not have adequate financials to operate under New Mexico law and is the real question???

Why has regulatory allowed Alpha the privilege to violate New Mexico laws in such an erroneous or favoritism manner as to allow Alpha to operate without having adequate financial assurance and to have four abandoned wells, Kodiak, Colonia A, Merland, Tracy B wells, and then take a promise by Alpha counsel (“as if their word is reputable and good at this point”) as to a plan to plug these four wells on a promise that in fact does not meet New Mexico law or the fair practice to all operators and the honor standards system of a prudent operator to be allowed the privilege to operator, and then to allow Alpha to

compulsory pool prudent operators such as American to frivolously drill new wells, when Alpha entire operations have continued to violate New Mexico laws since their beginning, and by Alpha being allowed to continue in the manner they have continued to do is prohibited under the obligated duties of an operator to operate, by the standards and ethical duties of OCD and OCC regulatory for public health and environment, and to allow Alpha to not have adequate financial assurances to operate is the very definition of an Imprudent operator Alpha being showed favoritism over a prudent operator such as American operating with adequate financial assurances.

3. It is false that there are ongoing regulatory concerns related to Saik Well, as erroneously identified Prematurely by a single OCC Counselman without review. American reality with Mr. Jessie Tremaine, Legal to the Division, that is not regulatory duties to the Division in this manner, and is overreaching his duties to stonewall American operations without just cause for his erroneous actions, his manner disrespects and attacks Rob Jackson and Dean McClure positions and duties under the NMOCD as employed staff of the NMOCD duty for regulatory, as where Jessie Tremaine is an employee of the GOC positioned at the NMOCD, and currently American attorney is still awaiting a Response from Jessie Tremaine after receiving a letter from my attorney. "Please request all from Jessie Tremaine". American own characterization of being a victim of the Division's self-portrayed leadership Jessie Tremaine abusing his duties in such a manner that is unjust and unethical and that Jessie Tremaine may harbor a serious personal agenda regarding American demise. American under New Mexico law is allowed to operate and develop the Saik Well as it sees necessary for its operations. In addition to the premature and erroneous, arbitrary , and capricious options and benefits proposed by a single OCC Counselman without review, the Commission's obligation to exhaust administrative remedies, and Alpha own admissions through its submitted fillings, shows concerns of Alpha's numerous changing false representation to the OCD and OCC regarding American interests, American sets forth the following arguments supporting that the OCC to hold an hearing to determine whether a Prudent Operator such as American Saik Well erroneously, arbitrarily, and capriciously force plugged would violate Due Process laws and its own New Mexico obligated duties to protect corrective rights and prevent waste, and further requests of the Commission to have and evidentiary hearing as to why Alpha has four abandoned wells and was allowed to drilling wells without adequate financials assurances that violate New Mexico laws.

B. Alpha Intentionally Provided the Division with False and Inaccurate representation of American Saik Well in its numerous changing false representations and claims.

4. The C-115 is vague in nature and has no limits or limitations on what constituted a true report, and an operator under New Mexico law can submit reports as feels necessary for its operations.

If the Alpha feels it upon themselves at their own time to request a (19.15.3 NMAC) Changes to rules... and go through a formal public hearing process governed by specific procedures to make changes as to what constituted the limits and limitations of a true report, would be appropriate for the manner in which their attack has once turned again. Since such a procedure has not been complied with by Alpha, it is the duty of the Commission to respect the Existing rules and the Oil and Gas Act. Any attempts to change the rules without proper procedure set by our legislation would be erroneous, arbitrary, and capricious.

For Alpha counsel to attempt to change the narrative of the matter once again with frivolous attack tactics to sway the Commission to attack American is false representation by Alpha.

5. It is irrelevant to the matter if the gas meter had been erroneously removed from the Saik Well by an imprudent gas purchaser for failing to maintenance pipeline sales lines, American did the best it could to test its operations as a prudent operator. It's with bad taste that Alpha continues to make false representation of American representation, that at best is attempt to deceive the Commission once again with false representation.

6. American "tests," are allowed by New Mexico laws, regardless of Enterprise timing to frivolous pull the gas meter in September or October 2025, to the Saik well, stonewalling American attempts to purchase sales line, to solely benefit Alpha's claims in attempt to conspire in the development of the HSU wells that further guarantees Enterprise the purchase of the HSU wells gas volumes. The manner in which Enterprise removed the meter constitutes "**Price Discrimination**" By unfairly favoring a customer over another, under laws like the "**Robinson-Patman Act**".

Enterprise acts were unjust, illegal discrimination, and unfair business practices for the fact that Enterprise has financial gains in the matter to purchase the volumes of gas from the HSU wells regardless of ethics and standards, and violations of the "**Sherman Act**", and for the fact that Enterprise failed good faith efforts under New Mexico laws that highlights an imprudent gas purchaser with a personal agenda.

Thus, Alpha's unsupported assertion that such a test could represent another false representation By American to the Division and Commission, is once again another false representation by Alpha to the Division and Commission.

7. Alpha conspired with Enterprise in their bad faith is evident from its statement that “ that Enterprise email dated February 11, 2025 admitted by email “to having leaks in the sales lines” and instead of fixing the sales lines, erroneously pulled the meter during hearing proceedings to affect Saik well and American interests, but to date Enterprise has not pulled the meter to the Mead #8, Enterprise admitted in email that it would also be removing the Mead #8 being operated by Mewbourne and to date has not been removed and is still a producing well, and it is very clear that Enterprise gave false representation as a gas purchaser with a personal agenda to assist specific developments of specific operators, regardless of ethics or standards or frivolous acts to erroneously compulsory pool without notice to an effected party by a malice operator Alpha. Thus, Alpha and Enterprise failed to act in good faith efforts and conspired in the frivolous conspired development of the HSU wells.

8. Alpha and Enterprise admission that the gathering line for the Saik Well has been, and currently is capped, by their own personal agenda and ability to persuade through development plans, demonstrates the total lack of respect Alpha has towards operators, interests, and leases in the area through failed efforts to send Notice to effected parties, as Alpha failed to do, and through failed efforts to act unbiased in the purchase of gas as Enterprise failed to do, which therefore are not good faith efforts. Thus, the only remaining possibility is to attempt to assess whether Alpha and Enterprise are acting in good faith efforts, but with the evidence provided it is unclear they cannot prevail.

9. Accordingly, a single OCC Counselman proposal to erroneously, arbitrarily, and capriciously “peel off the band-aid” of the Saik Well and examine whatever irregular regulatory issues are festering underneath of a prudent operator such as American would be a violation of New Mexico law, Federal law, and obligated duties to protect correlative rights under New Mexico law is an erroneous, arbitrary, and capricious resolution provided by a malice operator Alpha that is attempting swindle the OCC of its obligated duties and into doing Alpha dirty work regardless of ethics and standards, Federal law, and New Mexico law. Furthermore, OCD Legal Jessie Tremaine savage attack without standing or merit for such frivolous acts and approach is in fact arbitrary or capricious, because to date **Jessie Tremaine has failed to respond to American attorney responses**, confirming that American is a prudent operator operating in good faith by New Mexico laws, and it is commendable and necessary to protect American correlative rights, prevent waste of American Saik well, and safeguard the environment from imprudent operators like Alpha

making false promises to plug its four outdated orphaned wells, drill wells, develop lands, permit wells, file or submit, or operate without having adequate financial assurances and is a clear violation of New Mexico law and regulatory duties to regulate safeguard and protect the environment from imprudent malice operators such as Alpha.

The Division and the Commission and an imprudent operator Alpha do not deserve the benefit to violate federal law under “Due Process rights” in their acts to act erroneous, arbitrary, and capricious to scheme an evidentiary hearing pursuant to the Expired Prior Operator Wildcat NOV Letter to determine the actual status and fate of the new prudent operator American and its Saik Well.

C. Alpha’s and Enterprise conspired False and Bad Faith efforts and false representation Forfeits Alpha’s Request to deny the Emergency Stay of the Division’s Pooling Orders.

10. Alpha submits its request to deny the Emergency Stay with unclean hands.

Under the Tenneco test standard, Alpha fails to meet the required showing. Alpha false representation in OCD and OCC proceedings regarding, when American obtained its leases and when it obtained its well through C-145 is slight of hand at best without standing or merit. And further Alpha counsel attempts of his sleight of hand once again shows of Repeat Violator of Procedural law. Thus, Alpha failed to give an effected party due process under federal law and when the Division adjudicated and approved the units of the Hollywood Star wells, it was very clear that the Division was unaware of the overlapping unit of American Saik well, because of false representation by Alpha.

See American Exhibit G, under findings of fact number #9, affidavits and **sworn** expert **testimony**

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.**

c. **Applicant testified that AER does not have an interest in the Unit.**

Due to the evidence presented by American of sworn testimony contradicting Alpha counsel claims is proof of the frivolous scheming being attempted and manipulation of procedural law.

11. The Division routinely approves overlapping units, “that have been agreed by both operators and presented “honestly” and “good faith” to the Division in its pooling

submittals, which Alpha frivolously failed to do, that does not protect correlative rights or protect from waste, and in fact causes the violation of correlative rights and makes waste. Given serious doubts that Alpha presented its compulsory pooling proceeding with “good faith” attempts, and considering the acts committed by Alpha malice frivolous attempts were in such a bad faith effort manner in its attempts to deceive the OCD and OCC to knowingly present false representation to cause irreversible harm to an effected party such as American.

The Saik Unit and interests will be severely harmed by drilling and the production of the Hollywood Star wells. In fact, the owners in the overlapped Saik Unit (N/2 of Section 17) will be directly and severely harmed by the frivolous drilling and production of the Hollywood Star wells. If an Emergency Stay is not granted, not only will the owners in the N/2 of Section 17 not be afforded their rightful share of production, the protection of correlative rights, the prevention of waste, but the Commission will be denying production to the 100 owners more or less who have been patiently waiting for their correlative rights in the Saik Unit.

12. When the evidence presented to the Commission indicates—as it does here—that Alpha acted in bad faith by falsely claiming, through manipulators with false representation, changing false representation, claims of terminated lease, claims of expired lease, claims of an abandoned well, claims of no well, claims of no interest, claims of a well in violation, claims of a NOV letter to plug, claims that the meter capped with standing and merit, claims of false reporting, claims that in using a expired NOV letter to plug a new prudent operators well is just, claims that continued to change day after day for all of 2025, to deny an Emergency Stay would violate every tenet of the Tenneco test. Alpha has not shown likelihood of success or absence of public harm. The public interest demands integrity in evaluating true notice to compulsory pooling proceedings, and Alpha’s conduct warrants heightened scrutiny and deception.

Conclusion:

It’s with very bad taste that Alpha can continue to give false representation of being a prudent operator when it has four wells in violation with New Mexico law for not having adequate financial assurances.

It would be more appropriate for the division and commission to have an evidentiary hearing over Alpha not having adequate financial assurances for its four abandoned wells in clear violation of New Mexico laws, to protect the environment and the public health, that prevents Alpha from permitting, drilling, workovers, applications, pooling, submittals,

or anything of any kind regarding it wells or wells or orders, for Alpha cannot operate without adequate financial assurances, and it would be fair to say Alpha lacks being able to represent it self at hearing for Alpha is in fact an imprudent operator, interfering with a prudent operator such as American legitimate claims under its Saik Unit leases.

Alpha counsel continues to use sleight of hand to twist procedural law which has turned a hearing regarding compulsory pooling notice into an erroneous, arbitrary, and capricious attempt to force regulatory without a just cause on a prudent operator such as American which the Division has already ruled is inappropriate and erroneous and would further go against Division orders and regulatory staff duties.

See American Exhibit E

Prudent operators, such as American with adequate financial assurances to operate, who has invested immense amounts of time, energy, and resources to responsibly develop and produce the state's natural resources deserve to have their efforts protected by the Division and the Commission. Thus, for the reasons stated above, American respectfully requests that the Commission deny Alpha's request to deny an Emergency Stay and to grant American Emergency Stay. If Alpha can show its false representation was not false and show a just reason as to the reason it does not have adequate financial assurances by New Mexico laws for its operations to warrant development, which the evidence thus far indicates Alpha cannot, then Alpha HSU Unit cannot co-exist and overlap American Saik Unit without approval by American, that was erroneously, arbitrarily, and capriciously approved by the Division's Pooling Order for an imprudent operator such as Alpha; however, if Alpha cannot make such a showing after a hearing and due process has been provided, then Alpha HSU orders should terminate by their own terms and New Mexico laws for an imprudent operator such as Alpha failed to give notice to American an effected party, which would directly benefit all the owners of the Subject Lands and the state of New Mexico from frivolous acts as Alpha has continued to do by taking advantage of compulsory pooling proceedings through deceptions and false representation.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico New Mexico Oil Conservation Commission and was served on counsel of record via electronic mail on December 16, 2025:

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