

OCD Special Docket August 26, 2025- 20250827_162033UTC-Meeting Recording

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● started transcription

DS **Darin Savage** 18:28

Where was everybody?

But it was hearing that you had with is it called Reed Stevens with?

PH **Pecos Hall** 34:48

Good morning, Mr. Anderson. Are you on?

+13***31** 34:51

Yes, yes, I'm on.

PH **Pecos Hall** 34:52

OK, OK.

Thank you.

+13***31** 34:55

Thank you, ma'am.

DS **Darin Savage** 34:57

I think.

PH **Pecos Hall** 35:43

All right.

Good morning.

It is 8:55 AM on August 27, 2025.

We are here to adjudicate 1 case.

That case number is.

25496.

It is Alpha Energy Partners Two LLC entry of appearance please.

Good morning, Mr. herring examiner.

Good morning, Mr. Technical examiner Darren Savage with Abaddon Schill appearing on behalf of Alpha Energy.

Partners to LLC.

 **+13*****31** 36:18

Good morning, Mr. Examiner.

This is Warren Anderson Lee Anderson appearing.

For case number 25495.

 **Pecos Hall** 36:32

I have Mr. Anderson.

I have 25496. Do you concur?

 **+13*****31** 36:37

Yes.

Thank you, Sir.

 **Pecos Hall** 36:41

All right.

Good morning.


 **+13*****31** 36:42


Good morning, Sir.

 **Deana** 36:46


Good morning, Mr. Examiner.


Deena Bennett from module Sperling, on behalf of the city of Carlsbad and also on behalf of Kotera Energy and its affiliates.


 **+13*****31** 36:50
Thank you.

 **Pecos Hall** 36:55
Good morning, miss Bennett.
What is your position?
Your client's position, in this case at this time.

 **Deana** 37:02
At this time, we're only monitoring the case and preserving rights.

 **Pecos Hall** 37:08
Thank you.
Miss Pena.

 **Yarithza Peña** 37:12
Good morning, Mr. hearing examiner, Yadita Pena with Hardy McLean on behalf of
Conoco Phillips Company.
And we're also just monitoring and preserving rights.

 **Pecos Hall** 37:20
Thank you.
And then, Mr. Savage, do I see your witness on the screen here?
That's correct.
Mr. John Kaufman is the land man, expert witness and Mr. Jason McLean is the expert
geologist and is Mr. McLean here with us too.
He is, and both have testified previously.
Perfect. Let me get them both sworn in first.
Would you both raise your right hands please?
You swear or affirm under penalty of perjury, that the testimony you're about to give
is the truth, the whole truth, and nothing but nothing but.

 **John Coffman** 37:56
Yes.

JM **Jason McClain** 37:56

I do.

PH **Pecos Hall** 37:57

All right, very good.

Let's start with you, Mr. Kaufman.

Would you state and spell your name for the record?

JC **John Coffman** 38:03

Yep, John Coffman, JOHNCOF FM AN.

PH **Pecos Hall** 38:08

And what is your field of expertise?

JC **John Coffman** 38:13

Petroleum Land Management.

PH **Pecos Hall** 38:14

OK. And you've been recognized by this division in that expertise?

JC **John Coffman** 38:18

Yes, Sir.

PH **Pecos Hall** 38:19

OK.

Very good, Mr. McLean. Your turn.

JM **Jason McClain** 38:23

Yeah. My name's Jason McLean.

McClain and I'm I'm recognized in the field of geology.

PH **Pecos Hall** 38:32

By this division.

JM **Jason McClain** 38:33

Yes, yes, Sir.

PH **Pecos Hall** 38:35

OK.

All right, very good.

OK.

So, Mr. Savage, why don't you present your case, and then we'll go to cross examination.

OK.

So the first witness I call is Mr. John Kaufman Landman for alpha energy.

Don't you want to get your exhibit submitted?

I was going to do that as part of fine.

I'm asking him about that. He reviewed the exhibits and you're all, you know, this little unusual, but you know.

Just I'll do my best to negotiate this so.

So Mr. Kaufman, have you provided and reviewed and are you fully fully familiar with the written testimony and land exhibits that were submitted to the exhibit on July 31st?

On your behalf.

JC **John Coffman** 39:22

Yes, I am.

PH **Pecos Hall** 39:24

Do you find them to be accurate and truthful to the best of your knowledge and understanding?

JC **John Coffman** 39:28

Yes.

PH **Pecos Hall** 39:30

Mr. Examiner.

I asked that exhibits land exhibits A and all sub exhibits be admitted into the record.

OK are there any objections?

OK.

I don't hear any objections, so the A exhibits the Tab 2. What I see here is Tab 2 is admitted as evidence in this case, sure.

Do you want me to address the good faith?

Because that deals with the Landmans testimony.

Or do you want me to go to the geology exhibits and enter those as well?

Yes, please. The geology exhibits, OK.

I call Mr. Jason McLean, the geologist.

Well, just to address the geology exhibits.

Mr.

Mr. McClain, are you available? OK, Mr. McClain.

JM **Jason McClain** 40:17

Yes, yes, Ann.

PH **Pecos Hall** 40:21

Have you provided any review and are fully familiar with the written testimony and the geology exhibits?

And these are exhibits B and all sub exhibits that were submitted to the division on your behalf.

JM **Jason McClain** 40:32

Yes, I am.

PH **Pecos Hall** 40:34

And do you find them to be accurate and truthful to the best of your knowledge and understanding?

JM **Jason McClain** 40:39

Yes.

PH **Pecos Hall** 40:41

Mr. Alexander, at this time I asked that exhibits B and all sub exhibits be admitted

into the record. Are there any objections?

Not hearing any.

 **+13*****31** 40:50

Good I would.

I would like to not object, but what are the exhibits?

Do they read them out?

 **Pecos Hall** 40:59

OK, Mr. Anderson.

I'll deal with that in just a moment.

So not hearing any objections, these are admitted into evidence, Mr. Anderson.

There were exhibits filed in this case back on July 31st about almost a month ago, a little over. Excuse me, July 31st. Almost a month ago. And I trust you know you. You said you know how to use the imaging system.

 **+13*****31** 41:23

OK.

I don't.

I don't think.

I think I said I did not know how to use it.

 **Pecos Hall** 41:39

I understood you the other day to say that you understood and I thought we sent you a link to the imaging system. Is that true, Freya?

 **+13*****31** 41:47

OK.

I.

I I know what you're talking about now.

I did see him.

 **Pecos Hall** 41:51

Ah OK, if you used it. If you did use that link, it would take you where you could find this case and you could see all the documents, including yours that had been filed in

this case. And if OK, good. And if you look at the document FIL.
On July 31st of this year, there actually are two documents.
There's a. Excuse me. There are many documents filed on July 31st.
The one I'm looking at.

 **+13*****31** 42:20

Yes.

 **Pecos Hall** 42:21

Is the one.

They don't have titles, unfortunately.

This one is the largest of the documents.

It's basically 10 megabytes large.

 **+13*****31** 42:31

Mm-hmm.

 **Pecos Hall** 42:32

It's the last July 31st filing before we got your filing on August 5th. And that document is the exhibits were talking about now.

 **+13*****31** 42:46

OK.

I got it.

I remember I I looked at him.

 **Pecos Hall** 42:49

OK, OK, wonderful. And the exhibits have been admitted into evidence so you can use any information in the exhibits to cross examine the witnesses.

Or you can just cross examine the witnesses from your own.

Evidence that you filed as well.

So I'm gonna keep moving on and we'll give you opportunity at the appropriate time, OK.

 **+13*****31** 43:10

Yeah.

Yes, Sir.

PH **Pecos Hall** 43:16

All right. So Mr. Savage is presenting his case in Chief. He's brought two witnesses on his client's behalf and that's where we are right now. We're hearing the case in Chief here and Mr. couple more exhibits, we should admit I draw your attention to Exhibit C in each in the case that provides a self affirm statement confirming the mailing of notice letters and notice by publication. Notice was timely mailed on July 17, 2025, and timely published on July 19th. 2025 and I ask that Exhibit C and its sub exhibits be accepted into the record. OK, Mr. Anderson, the motion before the tribunal is to admit TAB 4, which is alpha exhibit C the Self Affirm statement of the attorney and the notice letters, mailing lists and Affidavit of publication. Is there an objection to? Receiving that in evidence.

+13***31** 44:16

Uh.

No, Sir.

PH **Pecos Hall** 44:20

OK.

Very good. OK, you are tab C or your tab 4 exhibit C is admitted evidence. So far we have exhibit AB and C admitted evidence.

+13***31** 44:21

OK.

PH **Pecos Hall** 44:30

We we don't have anything about tab one, but maybe that's not evidence. Anyway, that's all reference sounds good, but there's one yesterday. Alpha filed exhibits rebuttal exhibits 1-2 and three OK. I ask that they be admitted into the record as well. And you sent those to Mr. Anderson? That's correct. All right, very good.

And by e-mail, yes. OK.

Very good.

So Mr. Anderson, yesterday you might have received from Mr. Savage an e-mail containing some rebuttal exhibits.

 +13*****31 45:03

Ah.

If I don't.

If if I did, I don't.

I don't remember.

Seeing him.

 **Pecos Hall** 45:13

Which why don't. Why don't you just describe what those exhibits are for, Mr. Anderson, OK.

So, Mr. Anderson, the exhibit one are the well proposals that were sent to you.

Exhibit 2 was chain of about 23.

Approximately 23 emails that you and Mr. Kaufman engaged in copies of those and then Exhibit 3 is a copy of a lease that it looks like was marked up during discussions of the terms of the lease.

 +13*****31 45:50

In the so.

Your exhibit is.

From 2024.

 **Pecos Hall** 46:02

The.

So the exhibits have different dates. For example, the well proposals that were sent were in 2025, April and June.

The emails span the course of a number of dates prior to the hearing, and you can see what those dates are.

There's a number of them and.

The.

 **+13*****31** 46:29

But excuse not to cut you off, Sir, but.

What you're talking about, that was in the.

1st that was 24, case 24.

Four case case 24944.

When we receive that firstly, but is that what you're talking about?

 **Pecos Hall** 46:54

Yeah, it's, it's the, it's the least.

It was like it was dated.

See here.

 **+13*****31** 47:01

Because.

 **Pecos Hall** 47:03

Looks like it was some around 8 August 8/20/24.

 **+13*****31** 47:09

Right.

 **Pecos Hall** 47:12

That that would be exhibit 3 that we are providing for discussion.

 **+13*****31** 47:21

OK.

 **Pecos Hall** 47:25

OK.

So Mr. Anderson, the question to you was and are there any objections to the admission of the rebuttal exhibits that he just described to you?

 **+13*****31** 47:36

I.

I do.

I do object to.

Using using.

That, but if they wanna use it, they can use it. But.

The way they presented it in 2024 or or in that case number 24944 was wrong.

PH Pecos Hall 48:00

Mr. Anderson, you can cross examine the witnesses if if you. If you see that, that's that's where you have an opportunity to point out any discrepancies or things in your favor.

+13***31** 48:00

So.

1/2.

Oh, OK.

Yes, Sir.

Yes, Sir.

PH Pecos Hall 48:16

I think I I want to remind you that the issue today, the issue that you have raised, the objection you raised was based on what you claimed was a lack of good faith negotiation.

Do you remember that?

+13***31** 48:30

OK.

Yes, Sir.

PH Pecos Hall 48:32

OK, good. Are there any other issues that I'm not aware of or is that the sole issue before this tribunal today?

+13***31** 48:41

Well, I don't know if you're aware of the.

No, I believe it's the.

Appli.
That deals with.
The 19th 1989 modified.
That I I objected to in my.
And my reconsideration.
Lease, I thought.
That would be the lease at hand, not the 2024 lease.

PH **Pecos Hall** 49:40

OK. But Mr. Anderson, I what I'm trying to understand is the scope of the objection.
Is that not still?
Now you have to understand something before I say anything else.
This tribunal, this tribunal does not have jurisdiction to weigh in on lease terms and private.

+13***31** 49:51

Yes, Sir.

PH **Pecos Hall** 50:03

Conveyances between parties.
The the issue of good faith before this tribunal.
Is the issue that we have jurisdiction over?

+13***31** 50:15

OK.

PH **Pecos Hall** 50:16

There are seven factors.

+13***31** 50:17

I.

PH **Pecos Hall** 50:18

There are seven factors that the division looks at when it comes to granting a compulsory pooling application. Good faith negotiation is one of those factors.

 **+13*****31** 50:31

OK, OK.

 **Pecos Hall** 50:33

So is it is your objection?

Even even considering what you just talked about the AP PL.

I'm not even sure what that means, but is that? Does that go toward the issue of good faith?

 **+13*****31** 50:48

Yes, because.

In in before they before they even.

Sent out, they say in good faith and then negotiation they.

And.

They it's, it's just a lot of. It's a lot of red flags in the.

Negotiation process that they.

That they put into the the lease that they sent and then then to be able to pull and get me to this point. So they never was dealing in good faith and they never OK.

 **Pecos Hall** 51:26

OK.

Well.

OK.

OK, I understand, but this is all revolved.

This still all revolves around the issue of good faith negotiations.

 **+13*****31** 51:44

Yes.

 **Pecos Hall** 51:45

So so I don't hear an objection to the rebuttal exhibits, which is really where we are right now in the hearing.

We're just dealing with evidence that has been submitted and we're going to get to your evidence in just a moment.

 **+13*****31** 51:53
OK.

 **Pecos Hall** 51:58
OK.

So Mr. Mr. Savage, not hearing an objection?

 **+13*****31** 51:59
Yes.

 **Pecos Hall** 52:03

Your rebuttal of three rebuttal exhibits are admitted, and if you do, refer.

Will you please refer to them as rebuttal exhibit 1-2 or three.

Yes, yes.

Now, Mr. Anderson, we have a motion before us that we have to deal with as a preliminary matter.

 **+13*****31** 52:19
Yes.

 **Pecos Hall** 52:19

So I'm hoping that you received that motion that was filed the day yesterday or the day before. It also included copies of the rebuttal exhibits that were later submitted on their own.

So, Mr. Savage.

Just take a minute or two.

You don't have to go over the whole thing. Just a minute or two and just.

In plain language, what are you asking the tribunal?

Well, in that particular motion at the time that I filed it, I just asked for the admission of those exhibits.

So I think that has been satisfied.

OK.

I think I can.

I think if we we can first address the good faith issue and then go on to

considerations for the technical examiners of the remainder of the of the package. But I think the questions I have will basically cover the content of the motion.

All right. So, Mr. Anderson, a motion was filed, which is basically moot at this point, which means I don't need to deal with it any longer. Mr. Savage had filed a motion asking for the admission of three rebuttal exhibits. But as they were offered into evidence and not.

Objected to? They're in evidence now, so the motion is moved.

All right, Mr. Savage, go ahead.

And just to clarify that, I do think the content of that motion is is informative to the, to the OCD, OK.

So OK, so every call, Mr. Kaufman as a land man expert witness.

Mr. Kaufman, have you read and reviewed Mr. Anderson's pleadings?

In this case, that would be his declaration that was filed on August 25th, 2025, and his letter filed with the OCD on August 21st, 2025.

Mr. Coffman, before you answer that question, which is an easy answer, but before you answer that question, let's get the let's get these admitted into evidence as well.

So Mr. Mr. Anderson, let's deal with your submissions, OK?

 **+13*****31** 54:15

Yeah.

OK.

 **Pecos Hall** 54:18

Because I think this is a good time to do that.

So first of all I need to know exactly which documents you're seeking to admit into evidence, because I have a bunch of documents all filed within the last week that look a lot alike.

So I'm going to go to the most recent one and we can work backward.


 **+13*****31** 54:35

Yep.


 **Pecos Hall** 54:39


I received a document.


 **+13*****31** 54:40
OK.


 **Pecos Hall** 54:42
I received a document that's called a declaration of respondents.
I received this document on the 25th, which was two days ago at 3:13 PM.
That you sent by e-mail.


 **+13*****31** 54:59
Uh.

 **Pecos Hall** 55:01
It's a four page document.


 **+13*****31** 55:02
Oh oh.
Yes.

 **Pecos Hall** 55:05
OK, good. Are you seeking to have this admitted as evidence?

 **+13*****31** 55:05
Is.
Yes.

 **Pecos Hall** 55:11
OK, now just so you know, this is an affidavit.
Which basically swears to the truth of the statements in the document.

 **+13*****31** 55:24
Yes.

 **Pecos Hall** 55:24
Under penalty of perjury.

 **+13*****31** 55:25

Up.

Yes, I've been.

I've been saying this since the.

1st.

First, since the first hearing that we ever had, I've just said the same thing.

 **Pecos Hall** 55:40

That's OK, but this is now we're talking about evidence here.

This is now sworn.

This is gonna be sworn testimony, not just statements. You made in argument.

 **+13*****31** 55:50

OK.

 **Pecos Hall** 55:52

Now for me to accept this, I'm going to swear you in, and then I'm going to ask you to adopt this Underoath.

So would you raise your right hand please?

Mr. Anderson, is it?

Is it Warren Anderson, by the way?

 **+13*****31** 56:07

Yes, Sir.

 **Pecos Hall** 56:08

OK. Warren Anderson, do you swear or affirm under penalty of perjury that the testimony you're about to give is the truth?

The whole truth and nothing but the truth.

 **+13*****31** 56:16

Yes.

PH **Pecos Hall** 56:18
You do? Is that a yes?

+13***31** 56:20
Yes, Sir, Dylan.

PH **Pecos Hall** 56:21
OK.

+13***31** 56:21
Dylan. What? What I sent in from day one.
Yes.


PH **Pecos Hall** 56:26
That's not what.
That's not the question, Sir.


+13***31** 56:28
OK.

PH **Pecos Hall** 56:29
So you you do swear and affirm that you're going to tell the truth and nothing but the truth, right?


+13***31** 56:35
Yes, Sir.

PH **Pecos Hall** 56:36
OK.
Very good.
Now this document, this four page document that I just referred to. Do you have it in front of you?


 **+13*****31** 56:44
Yes, Sir.


 **Pecos Hall** 56:45
You do have it. OK, very good.

 **+13*****31** 56:46
Yes.

 **Pecos Hall** 56:48
And do you adopt this document Underoath to be completely true and free from any falsehood?

 **+13*****31** 56:58
Yes, I do.

 **Pecos Hall** 56:59
OK.
Very good.
So this document is now in evidence. Mr. Savage. Let's go on to see what else, Mr. Mr. Anderson has has filed and I have to just click on each item here.
So hold on a minute.
OK.
So, Mr. Anderson, I have something received.
It's a three page document on the 21st of August, also by e-mail to where it begins, to whom it may concern.
Alpha Energy Partners have no permission to do any operations.
Do you know what document I'm talking about?

 **+13*****31** 57:37
Yes, yes, I do.

 **Pecos Hall** 57:39

OK. And it looks like there is something I can't really read, so unfortunately.
The table that you have on page three is illegible.

+13***31** 57:51

Uh-huh.

PH Pecos Hall 57:52

You you cannot read it, however.

+13***31** 57:54

But is it?

Is that that's just a table of the of these figures of the figures that was repaired by
Paloma Permian Asset LLC.

PH Pecos Hall 58:07

I understand.

That's fine.

+13***31** 58:08

OK.

PH Pecos Hall 58:08

So maybe we'll maybe we'll see it in the exhibits.

That Mister Savage has.

Has submitted into evidence.

So maybe that part is already in evidence, but I'm going to ask you to adopt this
three page document Underoath in the same way I asked the other one.

+13***31** 58:26

Yes, Sir.


PH Pecos Hall 58:27


All right, all right.


So you've sworn to this document.


Now let's go on to, I think a document that you filed.

I know I saw a document with a lot more pages than this.
Brea was that submitted back on the 5th of August.
Yes, there's another one on the 5th. It looks like there's several on the 5th.
If you're looking in imaging, it's the one that has the number 586. OK, thank you.
Let me find it.
If I'm in imaging the hands in 586, OK, I see it's the larger one that makes sense.
OK, Mr. Anderson, I have another one though.
This is a four page document.
This is gonna be similar.
I think this is no. This is a three page.
I know I saw a longer document, Freya. These are not the ones I'm thinking of.


 **+13*****31** 59:23
Yes, Sir.


 **Pecos Hall** 59:26
Mr. Anderson, didn't you send us about a 25 page document?

 **+13*****31** 59:31
Check.

 **Pecos Hall** 59:34
Where is that?

 **+13*****31** 59:35
Uh.

 **Pecos Hall** 59:36
Where is that Freya?
Hold on, Mr. Anderson.
I'm wondering whether it was not whether it was not submitted into imaging.

 **+13*****31** 59:43
Yes, Sir.
What's your name?

PH Pecos Hall 59:48

I see two from August 5th from Mr. Anderson, right?

+13***31** 59:51

Yeah.

PH Pecos Hall 59:51

Those are shorts.

I'm looking to the one that has.

I just saw it this morning. It had.

Notes written on a well proposal it had.

+13***31** 1:00:07

Yes, yes, yes.

PH Pecos Hall 1:00:08

Emails.

+13***31** 1:00:08

I sent that in in 20.

Is that the? That's what they introduced into evidence.

The.

The lease agreement that they sent that I received from Orange Lake on shores.

Landman Nelson from Miss Nelson.

PH Pecos Hall 1:00:29

Do you know what, Mr. Anderson?

I think I understand my mistake here.

I think it was Mr. Savage who submitted the emails and the as rebuttal exhibits.

That's what I'm thinking of.

So OK, I think we have your exhibits in evidence. I don't think we're missing anything that is relevant.

 **+13*****31** 1:00:46

What are you trying to do?

 **Pecos Hall** 1:00:50

So we have two documents in evidence now.

One is 4 pages, one is 3 pages.

Is that your evidence, Mr. Anderson?

 **+13*****31** 1:00:58

One is 4 and one is 3. Yes Sir.

 **Pecos Hall** 1:01:01

OK. And then of course, we also have your emails.

That Mister Savage submitted, along with some notes you wrote on a well proposal and other other documents.

So that's also evidence that's in evidence. OK, Mr. Savage.

 **+13*****31** 1:01:13

Yes.

 **Pecos Hall** 1:01:17

Why don't you go on and put, put on your case?

You asked Mr. Kaufman a question that I interrupted.

That's fine.

Do you want to ask it again?

Yes, Mr. Kaufman, have you reviewed these two documents that were just submitted into evidence by Mr. Anderson?

 **John Coffman** 1:01:29

Yes, I have.

 **Pecos Hall** 1:01:31

Does Mr. Anderson's declaration show that alpha engaged in negotiations with him and Miss Anderson in an effort to reach an agreement about their mineral interest?

JC **John Coffman** 1:01:40

Yes it does.

PH **Pecos Hall** 1:01:42

And does Mr. Anderson's letter, filed August 21st, also show that Alpha engaged in negotiations with the Andersons in an effort to reach an agreement about their mineral interests?

JC **John Coffman** 1:01:53

Yes it does.

PH **Pecos Hall** 1:01:56

Now Mr. Cohen, are you familiar with the three rebuttal exhibits that were filed on behalf of Alpha exhibits?

Rebuttal exhibits 1-2 and three.

JC **John Coffman** 1:02:03

Yes.

PH **Pecos Hall** 1:02:05

What does?

What does rebuttal exhibit one, and what does it show?

JC **John Coffman** 1:02:10

Rebuttal exhibit one is the proposals that were sent to Bobby Anderson and then Lillian Warren Anderson for the Hollywood Star, 1718 fee Comm. Five O 3 and 553 wells.

PH **Pecos Hall** 1:02:25

And there are two.

There are two well proposals.

Is that correct?

JC **John Coffman** 1:02:28

Yes.

PH **Pecos Hall** 1:02:29

What does the second one show?

JC **John Coffman** 1:02:32

The second one shows Lillian Warren Anderson, so we originally sent one to Bobby Anderson. Since there was no record of probate, and when Warren had reached out and said that Bobby Anderson was deceased, we then sent them Lillian Warren, a proposal.

As a as assumed heirs of Bobby Henderson.

PH **Pecos Hall** 1:02:57

So Bobby Anderson was the owner of record.

+13***31** 1:02:58

Can I?

JC **John Coffman** 1:03:00

Yes, Sir.

PH **Pecos Hall** 1:03:01

OK. And what is exhibit 2 and what does it?

A rebuttal exhibit 2. And what does it show?

JC **John Coffman** 1:03:07

Exhibit 2 is the e-mail correspondence between me and Mr. Anderson.

Trying to negotiate terms of the lease.

PH **Pecos Hall** 1:03:17

What time period was that over?

JC **John Coffman** 1:03:23
I think it'd be over the last year.

PH **Pecos Hall** 1:03:27
Thank you.
And about how many e-mail exchanges did you have?

JC **John Coffman** 1:03:32
Over 30, I think.
Somewhere close to 37.

PH **Pecos Hall** 1:03:40
What and? And is it true that in the in the sample that we provided that there's approximately about 20-3 in there?

JC **John Coffman** 1:03:48
Yeah.

PH **Pecos Hall** 1:03:49
And what is exhibit 3 and what does it show?

JC **John Coffman** 1:03:55
Pull it up here.
Exhibit 3 shows the well proposal in the lease that was sent to Mr. Anderson.

PH **Pecos Hall** 1:04:04
Is.

JC **John Coffman** 1:04:04
I can pull it up real quick.

PH **Pecos Hall** 1:04:06
Is exhibit 3 in front of you.

Are we talking about rebuttal?
Exhibit 3. If you could be clear, Mr.

JC **John Coffman** 1:04:13

Yes, Rebel exhibit 3 is the oil and gas lease that we had sent to Mr. Anderson.
The memo of oil and gas lease.

PH **Pecos Hall** 1:04:23

And whose handwriting is is that on the on that lease?

JC **John Coffman** 1:04:23

And.
I believe it to be Mr. Anderson's.

PH **Pecos Hall** 1:04:32

Mr. Kaufman, how long have you been involved in leasing and purchasing minerals in the area in which the subject lands are located?

JC **John Coffman** 1:04:40

In New Mexico as a whole, about 10 years and then in these subject lands about two years.

PH **Pecos Hall** 1:04:46

And do you have knowledge and understanding of the fair market value of mineral interests in this area based on your experience?

JC **John Coffman** 1:04:53

Yes, I do.

PH **Pecos Hall** 1:04:56

And what did you offer Mr. Anderson in your efforts to reach a voluntary agreement?

JC **John Coffman** 1:05:01

Our final offer was a \$5000 flat bonus payment, 1/4 royalty for a three-year primary term lease with a two year option to extend.

PH

Pecos Hall 1:05:14

And was this offer above or below fair market value for leasing his mineral interests?

JC

John Coffman 1:05:19

This would be above.

PH

Pecos Hall 1:05:22

This training examiner I have no further questions.

OK, Mr. Anderson.

It's now your time to ask this witness who is the land man expert from the applicant questions that are within the scope of his direct testimony and within his experience, go right ahead.

●

+13***31** 1:05:44

OK.

They they, he, Mr. Coffman, you say you sent out.

A lease or a paperwork to Bobby Anderson.

And that's correct, but.

Bobby Anderson is deceased.

And he he could. He and I believe that, you know, he was deceased because.

Every in the first.

In the first hearing and even before the 1st hearing, I let you know.

I let you know.

PH

Pecos Hall 1:06:33

Mr. Mr. Alexander, I'll object to this.

Is there a question involved?

So, Mr. Anderson, I I want you to be very I want you to understand the process here right now.

●

+13***31** 1:06:43


OK, OK.


PH

Pecos Hall 1:06:44


Right now you are cross examining the witness.

You will have an opportunity later if you so choose to present your own evidence beyond.


 **+13*****31** 1:06:51
Mm-hmm.

 **Pecos Hall** 1:06:58
The statements that you made in these two documents that we have admitted into evidence.
Already. But right now you're not supposed.


 **+13*****31** 1:07:05
OK.

 **Pecos Hall** 1:07:07
You're not introducing any evidence into the record because you're not.

 **+13*****31** 1:07:10
Awesome.

 **Pecos Hall** 1:07:11
You're not.
You're not the witness, and only what the witness says is evidence.
So your questions, your questions are to bring out any new evidence that you want us to consider, but it has to be from the witness.

 **+13*****31** 1:07:18
OK.

 **Pecos Hall** 1:07:29
So do you understand?

 **+13*****31** 1:07:33
Yeah.

PH Pecos Hall 1:07:36

In other words, if you think this witness is not telling us the whole story, ask him questions so that we hear the other side of the story, the side of the story that you believe shows bad faith.

+13***31** 1:07:51

OK.

PH Pecos Hall 1:07:53

Go right ahead.

+13***31** 1:07:53

OK.

All right.

Mr. Mr. Kaufman.

I would.

I would like to know.

How?

You believe that you are operating in good faith.

JC John Coffman 1:08:18

We had sent out well proposals.

To all of the interest owners within the South half N half of section 17 and 18.

Bobby Anderson's estate was never probated in New Mexico.

So.

As we look through title, there has to be a probate that transfers the interest from Bobby Anderson to his heirs.

So that was where the original proposal went.

And so if within our proposal.

+13***31** 1:08:51

On.

JC John Coffman 1:08:53

We offer the ability to either lease, participate or sell interest for each working interest owner within the spacing unit.

 **+13*****31** 1:09:05

Mr. Coffman.

You say you check the OCD files or the the register.

Deeds and who was on the deeds to find this out?

 **John Coffman** 1:09:21

It would be at the county clerk's office in Eddy County.

 **+13*****31** 1:09:26

So if you did that.

'Cause there was what I'm gonna say is there is probate and it has been switched over.

 **Pecos Hall** 1:09:36

Objection. Is there a question here?

Thank you, Mr. Anderson again.

You switched in.

 **+13*****31** 1:09:42

Yes.

 **Pecos Hall** 1:09:43

You switched into a different mode and you've got a. You've got to remember that your role right now is just to ask questions. You're not trying to introduce new evidence.

 **+13*****31** 1:09:45

OK.

OK.

OK.

PH

Pecos Hall 1:09:54

You'll have that opportunity later.

+13***31** 1:09:55

So.

PH

Pecos Hall 1:09:56

Are there any?

Do you have any questions for this witness?

Do you have any further questions for this witness?

+13***31** 1:10:04

Ah.

I would.

I would like to ask John Kaufman, who represents alpha here, as their land man or their contact person, if.

You ever.

Plan to.

Do a feasible lease with the Andersons.

JC

John Coffman 1:10:30

Absolutely. We'd love to lease your interest.

+13***31** 1:10:34

And and and if.

And if.

So.

Why has it taken this long?

For for you to.

Come to a feasible feasible resolve, because Oh yes, that's the question.

JC

John Coffman 1:10:59

I think our offer as it stands is.

A feasible and fair offer for your interest.

 **+13*****31** 1:11:10

Do you think by using and invoking the 1989?
Modify.
From the.
Appli.
Ance form and what?
What you guys did in doing so?
Was in good faith.

 **John Coffman** 1:11:43

So we we currently do not have a JOA or operating agreement with you or this
interest we provide the 1989 APL form operating agreement to parties that would
like to participate in the wells that we proposed.

 **+13*****31** 1:12:03

Is it true that?
The land owners who don't go along with with your proposals and lease.
That.
You come you you use unfair tactics.
By.
UN unfair tactics and abusive and things that would burden the landowner for not
going along with you.

 **John Coffman** 1:12:44

No, we would.
We would file for compulsory pooling like we have in this case and we would then
propose the wells under the orders.
To the working interest owners that have not elected to participate or unleashing.

 **+13*****31** 1:13:02

So.
Do do you think it's fair?
To.
Pull a landowner who's trying to.

Deal with you guys.

And get the boat and get the best for his land, which is his land.

And not yours.

JC **John Coffman** 1:13:33

Could you repeat the question?

+13***31** 1:13:37

I said.

Do you think is Dylan in good faith?

Or is it fair?

PH **Pecos Hall** 1:13:43

OK.

+13***31** 1:13:45

For you to ask the OCD.

Prematurely.

To pull a land owner.

Who's been trying to deal in good faith?

With you as a land man and a representative of alpha in Permian.

JC **John Coffman** 1:14:11

I think the negotiations that we have communicated.

And are filed in our rebuttal.

Exhibits have been.

Very fair and above market price for your interest and I can't speak to the rules of the OCD and if I think those are fair, they're just the rules that we follow.

+13***31** 1:14:36

I mean.

So my question is, we're all following the rules of OCD.

But my question to you now is have you put a twist on the rules when it comes to the land owners who don't agree with what you're trying to do?

JC **John Coffman** 1:15:03

No, Sir.

+13***31** 1:15:11

And my.

My last question is.

Do you think that?

You have dealt in good faith by sending out each.

Of your leases.

And Bobby Wayne Anderson.

Name only.

When you know that he was deceased.

JC **John Coffman** 1:15:47

To the title shows to be the owner.

So that's how we have to follow the rules and the where the interest is located and who owns it.

That's how we propose, and that's how the lease will be styled.

+13***31** 1:16:04

So I asked you again.

When you went to the Recorder's office.

You saw Bobby Anderson's name, and you saw and, and you're saying that you saw.

No mention of Lily Anderson.

On the paperwork with the OCD or the recorder, you saw her name nowhere.

And all you saw was.

Bobby Bobby Anderson.

JC **John Coffman** 1:16:43

Proposals to Bobby Anderson and Lillian Warren Anderson.

In our rebuttal exhibit.

+13***31** 1:16:49

Sir, if you have, because that's not, that's not.

The question I'm asking you is.

Why have in every?

Thing that you sent us out first is Justin. Bobby Wayne Anderson's name.

And we don't answer that because he's been dead for over 20 years.

PH

Pecos Hall 1:17:22

Objection. That's been answered.

Mr. Anderson.

You have asked that question several times and I don't think the answer's gonna change at this point.



+13***31** 1:17:31

OK.

PH

Pecos Hall 1:17:34

I have the answer to that question in my head that you've brought out.

So do you have another? I think you said that was your last question.

So are you finished asking this witness questions?



+13***31** 1:17:44

Yeah.

Yes.

PH

Pecos Hall 1:17:49

OK, Mr. McClure, do you have any questions for Mr. Kaufman?



McClure, Dean, EMNRD 1:17:54

Mr. Herring, examiner, I do have questions for Mr. Kaufman.

PH

Pecos Hall 1:17:58

Go right ahead.



McClure, Dean, EMNRD 1:18:01

Mr. Kaufman.

In the title review that you conducted that showed that Bobby Anderson was the

owner of this unleashed mineral interest.

When was that conducted?

 **John Coffman** 1:18:17

Within the last year.

I'd have to get my files out to figure out specifically.

 **McClure, Dean, EMNRD** 1:18:26

Was this the same title review that was involved in the Wolf Camp Formation version of this unit?

 **John Coffman** 1:18:34

Yes, Sir.

 **McClure, Dean, EMNRD** 1:18:41

So then the title view has not been conducted.

Would it be accurate to say that you don't believe title was conducted since October of 2024 then?

 **John Coffman** 1:18:54

There are a lot of mineral tracks in this development, so it's an Evergreen process.

 **McClure, Dean, EMNRD** 1:19:01

I apologize.

Say that.

Say that last bit one more time.

 **John Coffman** 1:19:04

It's an Evergreen processor.

We're we're constantly updating title as new information comes in.

 **+13*****31** 1:19:15

Can I ask what does that mean?



McClure, Dean, EMNRD 1:19:15

Was considerate.



PH Pecos Hall 1:19:17

No, Mr. Anderson, please just listen to the questions at the technical examiner is asking the witness. You've had your opportunity to cross examine, so please don't interrupt at this point.



+13***31** 1:19:21

OK.

Yes.

Yes, Sir.



PH Pecos Hall 1:19:32

Mr. McClure.



McClure, Dean, EMNRD 1:19:34

Thank you, Mr. Herring examiner.



PH Pecos Hall 1:19:39

You were clarifying that answer I thought.



McClure, Dean, EMNRD 1:19:44

I was thinking about.

Well known.

Well, I mean, I I understand what his answer was, but I can ask again.

I guess so.



PH Pecos Hall 1:19:53

Ah.



McClure, Dean, EMNRD 1:19:55

To clarify, when you mentioned Evergreening, is it correct to mean that it's an ongoing review of title?

 **John Coffman** 1:20:03

Yes, Sir.

 **+13*****31** 1:20:03

OK.

 **McClure, Dean, EMNRD** 1:20:06

Was consideration.

Done to reviewing Bobby Anderson's unleashing interest, considering that we have testimony that he's now deceased.

 **John Coffman** 1:20:20

Yes. So that has not changed.

There has not been a probate that we've been able to find in the New Mexico records that shows.

The state of Bobby Anderson being probated into Lillian Warren.

 **McClure, Dean, EMNRD** 1:20:39

I misunderstood your earlier answer then.

Is it correct that that the title for Bobby Anderson was not reviewed after October of 2024?

 **Pecos Hall** 1:20:45

People.

 **John Coffman** 1:20:55

Correct.

 **McClure, Dean, EMNRD** 1:21:02

Prior to October 2024, were you aware that Bobby Anderson was deceased?

 **John Coffman** 1:21:09

No, I was not.



McClure, Dean, EMNRD 1:21:16

OK.

So I guess backing up to my prior question then after you were aware that Bobby Anderson was deceased, was there consideration to reviewing that title?



John Coffman 1:21:29

Yes, and it's still in his name like it.

It was reviewed in October.

There's from October to present.

There has not been a probate filed.

For the estate of Bobby Anderson.



McClure, Dean, EMNRD 1:21:47

And you have to forgive me because I'm I'm not a land man, I guess, but.

Does that mean that you've that you have since October 2024 been reviewing and confirming that there's no additional filing for that then?

And when was that last done?



John Coffman 1:22:08

I believe it was right after the Wolfcamp cases. We went back and checked if there was a probate.

There was not a probate.

Filed.



McClure, Dean, EMNRD 1:22:19

Now the Wolfcamp case, it was in March of 2025.

Do you believe shortly after that was when you'd reviewed?

When you review the titles again for this.



John Coffman 1:22:34

That's correct.



McClure, Dean, EMNRD 1:22:36

Yeah. Thank you, Mr. Kaufman.

In the latest lease agreement offer that you had provided to Mr. Anderson, you referenced a straight up offer of \$5000, is that correct?

 **+13*****31** 1:22:42

Good morning.
Goodbye.

 **John Coffman** 1:22:51

Yes, Sir.

 **McClure, Dean, EMNRD** 1:22:54

Does that include an additional \$5000 for the two year extension?

 **John Coffman** 1:23:00

If if we get to the third year and we.
Think it's necessary to extend the lease then? Yes, Sir.

 **McClure, Dean, EMNRD** 1:23:09

OK.
Thank you, Mr. Kaufman.
Are you familiar with?
I know it might be easier for Mr. Savage to share it for us, I guess.
Make sure we're looking at the same thing, Mr. Savage. Do you have the?
821 document that Mister Anderson had submitted it to the division.
It has his term agreements.

 **Pecos Hall** 1:23:40

Was that a rebuttal exhibit?
I think if.
I think it's that has the lease and the notes that Mister Anderson included.

 **McClure, Dean, EMNRD** 1:23:47

Umm.
Well, I think he's kind of broke out a little bit in his emails here.
Let me see.

In your rebuttal exhibit, you have an older version of the document that I'm referring to, but it should work for purposes of my question.

So if we can look at your rebuttal exhibit.

Three, I'm assuming.



Pecos Hall 1:24:24

Could you give Mr. McClure?

Would you give Freya who is doing the screen sharing today the page number of 32?



McClure, Dean, EMNRD 1:24:30

Well.

31 please, Freya.



Pecos Hall 1:24:36

Thank you.

You said 31, yes.



McClure, Dean, EMNRD 1:24:42

Yes, ma'am.



Pecos Hall 1:24:44

Can you see it?



McClure, Dean, EMNRD 1:24:45

Yes, we can.



Pecos Hall 1:24:48

Oh, I see I'm sharing.

I'm trying to share with Pecos Hall's computer, so let me just log in. On my laptop. I think that might unless you can.

Virtual people can see it, but no in the room can't, OK?

Just one second.



McClure, Dean, EMNRD 1:25:10

I was confused because I was seeing it.

 **Pecos Hall** 1:25:23

And Mr. McClure, is this the document that starts on page 30 of 32, to whom it may concern, etcetera?

 **McClure, Dean, EMNRD** 1:25:34

That is correct.

And actually I did tell Freya the wrong page.

It's 30 is the one I want, not 31.

 **Pecos Hall** 1:25:40

That's fine.

There you go.

 **McClure, Dean, EMNRD** 1:26:07

Mr. Kaufman, are you able to see what Freya is sharing for us?

 **John Coffman** 1:26:12

Yes, Sir.

 **McClure, Dean, EMNRD** 1:26:14

Do you see kind of towards kind of 2/3 down where it?

Says Lisa, asking for \$10 per barrel of barrel of oil.

 **John Coffman** 1:26:24

Yes, Sir.

 **McClure, Dean, EMNRD** 1:26:27

Is it correct that later on Mr. Anderson amended this to now be \$1.50 per barrel?

 **John Coffman** 1:26:33

That is correct.

 **McClure, Dean, EMNRD** 1:26:37

In your experience as a land man, negotiating lease agreements, have you ever seen a term similar to this?

 **John Coffman** 1:26:47

I've seen a production payment with a.
Time like a term.

It'll be something like 1000 thousand dollars.

Or it'll be \$3,000,000.

So it doesn't have a per barrel cost, it'll be \$3,000,000 as it comes out of the well. And then once it hits \$3,000,000 then it would stop but.

Per barrel price, no.

 **McClure, Dean, EMNRD** 1:27:25

If you were to consider this as a royalty.

Have you done any calculations as to what percent of royalty this would equate to at \$70.00 a barrel?

 **John Coffman** 1:27:41

No.

I asked.

I had asked Mr. Anderson if this was a proportionately reduced number to try and calculate that.

And group it with the royalty.

And I did not hear a response from him on that.

 **McClure, Dean, EMNRD** 1:28:00

Is it your understanding that this is per barrel out of the well rather than proportional to the acreage that he holds?

 **John Coffman** 1:28:11

That's correct.

 **McClure, Dean, EMNRD** 1:28:33

Freya, could we switch to?

Alpha's exhibits should be a 399 page document.

And then page 64.


Oh, thank you, Freya.

Mr.


Mr. Kaufman, do you see on this table it's your summary of contacts? Your exhibit A4.


Do you see on this table where it shows Bobby Anderson?


 **John Coffman** 1:29:11
Yes, Sir.


 **McClure, Dean, EMNRD** 1:29:14
And then on the right hand column of that role, it references an e-mail or.
A e-mail that received 730. Do you see what I'm referring to?

 **John Coffman** 1:29:27
Yes, Sir.

 **McClure, Dean, EMNRD** 1:29:30
Is it accurate that this is the only e-mail that's involved in the communication with?
Well, I guess Mr. and Mrs. Anderson at this point.

 **John Coffman** 1:29:40
Rebuttal exhibit it shows the communications with Mr. Anderson.

 **McClure, Dean, EMNRD** 1:29:48
OK.
We're the additional communications.
No, or had the additional communications occurred at the time that this document was put together.

 **John Coffman** 1:29:59
No, I believe this document was filed on 7/31.
So up until that point, it was just.

 **McClure, Dean, EMNRD** 1:30:07

OK.

OK.

So then the OR go ahead, Sir. Go ahead.

 **John Coffman** 1:30:16

I sit up until that point. I believe it's just a single e-mail.

 **McClure, Dean, EMNRD** 1:30:20

OK.

So then the emails that's in your the rebuttal exhibits had all occurred after this. This exhibit was produced then.

 **+13*****31** 1:30:28

And then this is for a pawn.

 **McClure, Dean, EMNRD** 1:30:30

Is that correct?

 **John Coffman** 1:30:31

Yes, Sir.

 **+13*****31** 1:30:32

But not wait for my own.

 **McClure, Dean, EMNRD** 1:30:33

OK.

Thank you, Mr. Kaufman.


 **+13*****31** 1:30:36


Oh, OK.


 **Pecos Hall** 1:30:44


Mr. Anderson, we can hear the background noise.


So Freya is gonna mute.


 **+13*****31** 1:30:48
Oh, OK.


 **Pecos Hall** 1:30:50
Freya's gonna mute you.
It'd be better if you if you muted it, kept yourself mute until you need to speak.

 **+13*****31** 1:30:52
Yes, Sir.


 **Pecos Hall** 1:30:58
But anyway, just wanted to let you know why you're on mute.

 **+13*****31** 1:31:01
Yes, Sir.


 **Pecos Hall** 1:31:03
Thank you.


 **McClure, Dean, EMNRD** 1:31:05
But Mr. Kaufman, the address?
Es.
That I assume was provided to Mr. Savage for notice of this case.
Were those provided by yourself, or are you aware?
Or are you familiar with that process?

 **John Coffman** 1:31:23
Yes, Sir.


 **McClure, Dean, EMNRD** 1:31:28
Freya, if we could go to page.
99.
Thank you, Freya.


Are you familiar with this notice spreadsheet, Mr. Kaufman?
Or was that Mister Savage's office?


 **John Coffman** 1:32:00
Yes, I'm familiar.


 **McClure, Dean, EMNRD** 1:32:03
OK.
On those.
You see on the right hand column where it says mailed in red.
You see what I'm referring to?


 **John Coffman** 1:32:12
Yes, Sir.

 **McClure, Dean, EMNRD** 1:32:14
Do you know what that do? You know what that is meant by that status?

 **John Coffman** 1:32:20
I believe that's the status that is shown on the certified mail label mail Out.

 **McClure, Dean, EMNRD** 1:32:31
Yeah, but you don't know what it means then.
Is that correct?

 **John Coffman** 1:32:35
No, Sir.

 **McClure, Dean, EMNRD** 1:32:36
OK. Breyer, could we go to page 104 please?
The Kaufman you see again on the right hand column where it says.
Oh, it's a couple down like five or six down. It starts saying like to be returned.
No such number.

 **John Coffman** 1:33:05

Yes, Sir.

 **McClure, Dean, EMNRD** 1:33:08

Do you know what that status means?

 **John Coffman** 1:33:11

I believe that it was undeliverable.

And probably headed back to the post office.

 **McClure, Dean, EMNRD** 1:33:22

How were the addresses attained for these?

While numerous numerous peoples in this notice and that had to be provided notice of this case.

 **John Coffman** 1:33:34

So we use the. We usually look back.

On the last document.

If there is one.

 **Pecos Hall** 1:33:42

Mr. Xamarin, I'm going to ask for a point of clarification if I could.

So the issue is is good faith negotiations and it looks like we're getting into an area where discussion the question of notice of the case itself.

Mr. Anderson received notice he made an appearance, so I don't think this this is an issue that's in question and I don't think it relates to the good faith issue.

OK.

So, Mr. McClure.


 **+13*****31** 1:34:14


Uh.

 **Pecos Hall** 1:34:15

Where where are you going with this line of questioning?

 **+13*****31** 1:34:19
OK.


 **McClure, Dean, EMNRD** 1:34:19
I wanna make sure I wanna confirm how notice was conducted to confirm that the division could potentially issue an order for this case instead of having to have it be continued and hear it again.


 **Pecos Hall** 1:34:32
Sounds like so. So so this is part of the larger evaluation beyond the good faith, OK. I'm sorry, Mr. McClure, you know that's that's the whole case. Is under evaluation, so. Please accept my apologies and continue. OK, so the objections over.

 **+13*****31** 1:34:48
Oh, can I say something?

 **Pecos Hall** 1:34:52
OK.

 **+13*****31** 1:34:52
Mr. Alexander.

 **Pecos Hall** 1:34:53
Yes, go ahead, Mr. Anderson.

 **+13*****31** 1:34:56
On this, on this line of questioning, it speaks to what really took place.
Because you sent that there, the land man is saying that they.
Satisfy the burden of proof when the burden of proof a dead man is not going to send you back any response.
No matter how many times you send it out in his name.

 **Pecos Hall** 1:35:23

OK.

OK, understood.



+13***31** 1:35:28

OK.



Pecos Hall 1:35:28

Thank you, Mr. Anderson.

So, Mr. McClure, the objection was overruled. Please continue.



McClure, Dean, EMNRD 1:35:35

Mr. Kaufman, just to re ask my question, I guess. How were the addresses for these persons obtained?



John Coffman 1:35:45

We use a few different ways to get the addresses, so if there's something if there's an instrument filed in the in Eddy County.

For an interest owner, we will use that.

Last address that was on the document if.

It's reasonably, you know, within the last five years.

If not, we'll try and use white pages and find new addresses for these folks.



McClure, Dean, EMNRD 1:36:19

Did Elpha conducted themselves this review themselves, or did they hire a third party?



John Coffman 1:36:27

We have brokers that helped us with the addresses.



McClure, Dean, EMNRD 1:36:47

Thank you, Mr. Kaufman.

I have no further questions, Mr. Herring examiner.



Pecos Hall 1:36:52

All right.

Thank you, Mr. Savage. Is there any redirect?

Yes, yes.

Thank you.

So so Mr. Kaufman.

You mentioned that you followed the rules.

Of the of the divisions of statewide rules regarding how and when to do a pulling procedure.

Is that correct?

JC **John Coffman** 1:37:21

Yes, Sir.

PH **Pecos Hall** 1:37:22

And.

Is it?

Fair to say that you made multiple attempts to reach a an agreement with Mr. Anderson.

JC **John Coffman** 1:37:33

Yes.

PH **Pecos Hall** 1:37:36

And under your understanding, the agreement that the offer was fair and reasonable and well above market value.

JC **John Coffman** 1:37:47

That's correct.

PH **Pecos Hall** 1:37:52

And in the end.

You were not able to reach an agreement, is that correct?

JC **John Coffman** 1:37:59

Correct.

PH **Pecos Hall** 1:38:01

And is it your understanding?

I know you're not an attorney, but is it your understanding under the pooling statute, your layperson understanding that at that point you have a right to initiate a pooling procedure?

JC **John Coffman** 1:38:15

Yes, Sir.

PH **Pecos Hall** 1:38:19

I have no further questions.

All right.

Do you want to call your other witness?

If.

It would be appropriate at this time.

Would be appropriate since we're dealing with the good faith issue to make a quick closing statement, both Anderson and myself to make a closing statement to sew that up. Or do you want to do that?

Let's wait for a minute.

Let's let's get Mr. Anderson. Mr. Anderson.

This is your. This is your opportunity to put on your case. Now. I've sworn you in already.

+13***31** 1:38:51

OK.

PH **Pecos Hall** 1:38:57

So if you want to make a statement of fact.

That is true.

About why you know the evidence that you are presenting that good faith negotiations.

Were not conducted.

This is your opportunity to do that.

 +13*****31 1:39:17

Yes, Sir. I would like to.

 **Pecos Hall** 1:39:17

But you will.

But but Mr. Anderson, I'll also let you know you will stand for cross examination.

 +13*****31 1:39:24

Yes.

 **Pecos Hall** 1:39:25

Go right ahead.

 +13*****31 1:39:27

OK so.

Mr. Mr. Kaufman has stated that Lilly Anderson's name is nowhere and they couldn't find it, but Lily Anderson's name is on the OCD files and also in the county recorder files.

We believe that alpha Energy Partners LLC.

I'll see filled the compulsory pooling application against the property and Eddie County, New Mexico under false pretenses by stating that they were not able to get in touch with us. The property owners. However, we have repeatedly emailed both Alpha Energy Partners and legacy on sure we.

We advised John Kaufman.

By e-mail and also called Mr. Kaufman to tell him that he knew that he needed to send the oil gas mineral leases in Miss Lilly Anderson's name.

He advised us that he would.

Nonetheless, we received a compulsory pulling application filed from Alpha Energy Partners.

Against our our, against our property, and now he stated that.

He didn't know, but I spoke to him and told him personally that.

So how could he not know?

Where to send and who name to send it in?

So I don't, I don't.

And I don't understand that.

And I also told the first landing, Miss Nelson.

Who lied and told me that I had to appear in front of the OCD?

When there was no hearing because I had checked with the OCD and they said that because of weather.

There was not going to be a hearing for a month or two, but they were still pressing.

And lying saying sign the lease.

So.

I'm just saying after that.

I don't know where.

The good faith started.

Are the burden of proof.

I've dealt.

And tried to deal.

Aboveboard.

With alpha.

 **Pecos Hall** 1:42:38

OK.

Thank you, Mr. Anderson.

Mr.

Savage any cross exam for this witness.

May I do my closing statement?

This answer my question. OK no no cross exam.

Are there any questions for this witness?

 **McClure, Dean, EMNRD** 1:42:57

Yes, I do have a quick question, Mr. Herring examiner.

 **Pecos Hall** 1:43:01

Go right ahead.

 **McClure, Dean, EMNRD** 1:43:03

Mr. Anderson.

 **+13*****31** 1:43:05

Yes, Sir.

 **McClure, Dean, EMNRD** 1:43:07

Is it correct that you filed a document with the County Courthouse?
Changing the title over from Bobby Anderson to Lilly Anderson.

 **+13*****31** 1:43:19

Yes, Sir.

 **McClure, Dean, EMNRD** 1:43:21

When was that done?

 **+13*****31** 1:43:25

That was done.

In the early 2000s, I don't remember the exact date, but I don't have the paperwork
in front of me.

But I can get the paperwork and I can send it in to the OC niece.

 **McClure, Dean, EMNRD** 1:43:48

OK.

So at this time, you believe it was done in the early 2000s, is that correct?

 **+13*****31** 1:43:55

Yes, Sir.

My father passed in the early 2000s.

 **McClure, Dean, EMNRD** 1:43:57

But you don't.

 **+13*****31** 1:44:00

But we do have the paperwork where the probate has been done and we pay the
taxes, and I've been paying the taxes ever since.



McClure, Dean, EMNRD 1:44:00

Cook.

OK.

Thank you, Mr. Anderson.

No more questions, Mr. her examiner.



+13***31** 1:44:24

Yes, Sir.



Pecos Hall 1:44:26

All right.

Thank you.

So Mr. Anderson, just to be clear about something.

Unless you were going to make some sort of a motion to keep the hearing record open to to send in that written documentation, we're going to go by your sworn testimony that you did about 20 years ago, transfer the property into your name.

So you know, there is that evidence.

In the record.

OK.

So Mr. Anderson, at this point.

Do you conclude your case in Chief?



+13***31** 1:45:10

I mean, unless anyone has any more questions.



Pecos Hall 1:45:15

I don't think they do, Mr. Anderson.

That's why I'm asking you. If you you had an opportunity to present evidence you were cross examined by the technical examiner.



+13***31** 1:45:22

OK.



Pecos Hall 1:45:25

I don't have any questions for you and Mr. Savage, the attorney for the applicant, doesn't have any questions to you. So does that conclude your case in Chief?

 **+13*****31** 1:45:36

Ah.

Yes.

If is there anything for me, so there's nothing else for me to say.

 **Pecos Hall** 1:45:49

I didn't understand you.

There's nothing else for you to what?

 **+13*****31** 1:45:52

Is there nothing else?

Pertaining to the case that you need me for.

 **Pecos Hall** 1:45:59

Well, I can't give you legal advice on the hearing examiner.

I have to remain fair and impartial to both parties, but procedurally I can tell you where we are in the case both parties yourself and Mr. Savage have presented their case in Chief.

Mr. Savage did have a rebuttal case.

That rebuttal case included documents that.

Are actually from you.

You've seen those documents and the emails.

Back and forth between you and Mr. Kaufman negotiating.

The the lease.

So at this, I'm sorry.


 **+13*****31** 1:46:40


I do.


I do have one question.


 **Pecos Hall** 1:46:44

Well, the question period, who's the question for?

 **+13*****31** 1:46:48
Question is for Mr. Kaufman.


 **Pecos Hall** 1:46:51
That ship has sailed.

 **+13*****31** 1:46:53
OK. The question is for.
The attorney who's representing alpha.

 **Pecos Hall** 1:47:01
Oh, OK.
Go ahead, go ahead.

 **+13*****31** 1:47:02
Who's in Mr. Savage?

 **Pecos Hall** 1:47:06
Yes.

 **+13*****31** 1:47:07
Mr. Savage, this is what I would like to know.
I know you're in contact and you've seen the emails and.
You've seen the different agreements 'cause you introduced them into the rebuttal.
Why is it that?
If Alpha was trying to.
Do things in good faith.
And do things feasible for the both parties, the landowner who has interest and the
say in what goes on.
If they had intentions on.
Making an agreement.
Or why didn't they relay that to me? I'm Warren Anderson.
That.
What they.

What they.

Not it just. I believe they just.

I believe that.

You guys just grandstanded and never had.

And your land man.

You guys never had. We're gonna.

Do any lease and you sent out the stuff to a a dead man who couldn't answer you and.

PH **Pecos Hall** 1:48:43

OK, Mr. Anderson, do you want me to?

+13***31** 1:48:43

So my question is.

PH **Pecos Hall** 1:48:45

Do you want me to answer that question?

+13***31** 1:48:47

Can you?

PH **Pecos Hall** 1:48:49

Yes. So, Mr. Hanson, my review of the documents and the transactions and the communications.

So alpha on their review of the record of the title, they saw that Bobby Anderson was the owner of record at the time that they reviewed the title.

The time that they sent out the web proposals they sent it out, that first proposal on April 2025 to Bobby Anderson then after.

Additional due diligence they can.

They've discovered that Lilly Anderson.

Was likely an heir and also that you, Warren Anderson, were involved.

And possibly involved in in, in, in the ownership in some regard as an heir.

So as a result, they sent a additional well proposal on in June 2025 to address.

To you and Lily.

And then they engaged in good faith negotiations, which is shown by numerous e-

mail exchanges.

In an attempt to reach an agreement with you in which you responded by e-mail, so alpha identified what you believed to be the owner and that would be Lily and possibly in some capacity yourself.

You obviously are the spokesperson representative for that interest and that's who they dealt with in all those e-mail exchanges. And then then excuse me, I'm answering the question.

 **+13*****31** 1:50:30

Just let me say your your guy, John Kaufman said.

 **Pecos Hall** 1:50:31

Uh.

 **+13*****31** 1:50:35

He never.

Saw Lily Anderson on any records of file.

 **Pecos Hall** 1:50:41

Is that is that a question?

 **+13*****31** 1:50:42

And that.

No, I'm. I'm just. What? What I'm saying is it's it's a question and a statement.

I'm saying how come your guy said that he never saw Lily Anderson on the paperwork?

He only saw Bobby Anderson on the paperwork.

That and then later you're saying don't wait later.

 **Pecos Hall** 1:51:05

Yes, that was his.

That was his initial.

That was the initial title analysis. That was the initial title. Analysis showed that Bobby Anderson was the owner of record.

And there was not an official as far as he determined he did not see that there was

official probate that had been filed or conducted, but fortunately he was able to identify the correct owner and communicate with the correct owner. And that's Lillie Anderson and yourself.

 **+13*****31** 1:51:24

But my court like.

No, no, Sir, Sir.

Did you guys introduce the emails?

Did you introduce the e-mail?

From the first case 24499 where I called him, I also sent him the e-mail and told him.

But they continuously sent.

Bobby Anderson and we don't really answer Bobby Anderson's mail.

He's been dead over 20 years.

So for him to say and you to say that you guys didn't know until June 2025, that's that's just a lie.

 **Pecos Hall** 1:52:14

So, Mr. Anderson, that document of exhibit rebuttal, exhibit #3 shows that you marked up.

They sent you a lease.

They showed the terms of the lease and you marked it up and gave counter offers on what you wanted and that is clear evidence of good faith negotiations.

 **+13*****31** 1:52:35

No, I don't think so.

And I in the route and I don't think that the rules that I read in agreement that you guys signed in 2024.

Says that it's not saying you guys using, putting twist. You guys twisting the rules and the agreement that was signed with New Mexico.

 **Pecos Hall** 1:52:58

I'm not sure what that question was.

I I feel like you've made your point.

Mr. Savage is not a witness.

So what he says is not evidence.

 +13*****31 1:53:10

OK, OK.

 **Pecos Hall** 1:53:11

Only the only the, only the people sworn in today, Mr. Kaufman and yourself and Mr. McLean, who didn't testify at all today. Only that is evidence that we can consider along with the exhibits that have been admitted into the record.

So I think we have enough to go on at this point to make a determination.

So when it comes to closing arguments, I'm going to give each party 3 minutes.

So, Mr. Anderson, you'll have your final opportunity to say what you want, but it will be strictly timed to three minutes and we're going to start with Mr. Savage.

It's 10:13 AM go ahead.

OK.

So, Mr. Examiner, Mr. technical examiner.

The record shows, first of all in the motion that we filed it, it spells out what the legal criteria is for satisfying attempts to reach a voluntary agreement.

And that was adjudicated in order and issued in order R2 one 679-C.

And in that in that particular case.

The the negotiation requirement under the oil and Gas Act was satisfied by sending out a well proposal with the offer just in the well proposal.

And then one e-mail exchange that addressed a question but did not give an additional offer.

So the OCC, the Commission has ruled on that now in comparison with what alpha has done, they sent out Web proposal. Bobby Anderson, the owner of record as they saw it and then through due diligence they identified Lilly Anderson and the involvement of Warren Anderson and they sent.

Out an additional well proposal to address that that provides.

The offer and then they exceeded the requirements of the Commission's ruling and what satisfies and attempts to reach a voluntary agreement by approx over 23 e-mail exchanges during these e-mail exchanges.

They offered made offers.

Of 25% royalty, which is twice as much as the statutory royalty under a pooling.

And it's also higher than the fair market value.

They also offered 5000 signing bonus and four 0.2 net acres.

That comes out to be about \$18,000 per acre, which is well above the fair market value, which is estimated around 15,000 per acre in this area.

So that is demonstrates good faith negotiations and an offer. Now you had a opportunity to accept that.

If you did not accept it.

Its requirements to go to a compulsory pooling.

Alpha satisfied the pooling statute because an agreement was not reached and when an agreement is not reached, the OCD has the authority to review the request for pooling, and that's where we are today.

Thank you, Mr. Savage.

That's three minutes, Mr. Anderson.

You have your 3 minutes now.

 +13*****31 1:56:20

OK.

When I would when I would like to say to that is you're you're saying that you dealt in good faith and you satisfied the burden of proof when you you you didn't deal in good faith.

And we also objected to.

Trying you trying to push a three-year lease into a five year lease.

And I mean, that's our property, we have interest.

And.

We don't have to agree with you on that.

And and and what I will say is.

We're we're gonna. Definitely.

Appeal and file with the.

Court because this would what you guys are doing here and saying here is is not right and.

Your guy. Really. Your guy lied. And I don't know if you.

We're ever going to try to.

Do an agreement.

If if I have 10 bubble gums and.

Other other land owners have 1000 bubblegums offering. You can't offer me the same thing 'cause. I have to sell my bubble gums at a higher price.

They can go with 5000 because they got 1000 bubble gum.

So.

That's simple.

And layman's.

Layman's term.

So all I'm saying is.

Under false pretenses, by stating that they were not able to get in touch with us. The property owners, however, we have respectively emailed both Alpha Energy Partners and legacy onshore through this whole ordeal and we've always been above board and tried to make some type of.

Uh.

Feasible deals with.

Alpha, so they can't say that we're not cooperating or trying to cooperate with them.

And like, like John Kaufman said, he would like to make a deal. We would like to make a deal.

But at this time.

We can't.

We can't.

You know, we can't make a deal.

And I don't think that they they should be pulling us.

That's my.

That's my that's the answer.

 **Pecos Hall** 1:59:32

OK.

All right, Mr. Anderson. Thank you.

Thank you for your participation today.

You've given us some information to think about and thank you, Mr. Savage.

Appreciate your participation as well.

Thank you, Mr. Kaufman, Mr. McLean.

For being here today and testifying if there's nothing else, Mr. Savage.

Unless you want to hear from the geologist or Mr. McClure wants to ask any questions regarding the geology of its I'm I'm finished. OK, Mr. McClure.

 **McClure, Dean, EMNRD** 2:00:10

I have no questions for the geologist in this case, Mr. Herring examiner.

PH **Pecos Hall** 2:00:14

Thank you very much.

All right then.

That concludes our business here today.

This is the only case on our docket today, so.

Hope everyone has a good day and we're off the record. Thank you.

+13***31** 2:00:27

Sir, thank you.

● **Pecos Hall** stopped transcription