

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.

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		

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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

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		
First Injection:			
Ready to Produce:		Completion Report Received:	
C-104 Approval:		New Well C-104 Approval:	
Plug Back:			
Authorization Revoked Start:		Revoked Until:	

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
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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
First Injection:
Ready to Produce: **Completion Report Received:**
C-104 Approval: **New Well C-104 Approval:**
Plug Back:
Authorization Revoked Start: **Revoked Until:**

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	Completion Report Received:	
First Injection:		New Well C-104 Approval:	
Ready to Produce:	05/02/1996	Revoked Until:	
C-104 Approval:	09/25/1996		
Plug Back:			
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](#)

Time Frame	Production				Injection				
	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

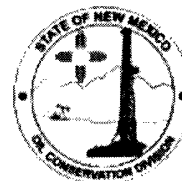
State of New Mexico

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.

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>

Form C-145
Revised May 19, 2017

Permit 380818

State of New Mexico
Energy, Minerals and Natural
Resources

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 Operator

Signature:

RL BeckerPrinted
Name:R L Becker

Title:

Manager / President

Date:

1/6/25

Phone:

432-528-8613**New Operator**

Signature:

[Signature]Printed
Name:Jonathan Samaniego

Title:

Representative

Date:

1/7/25

Phone:

575-499-7330

Permit 380818

NMOCD ApprovalElectronic Signature(s): Rob Jackson, District 2

Date:

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

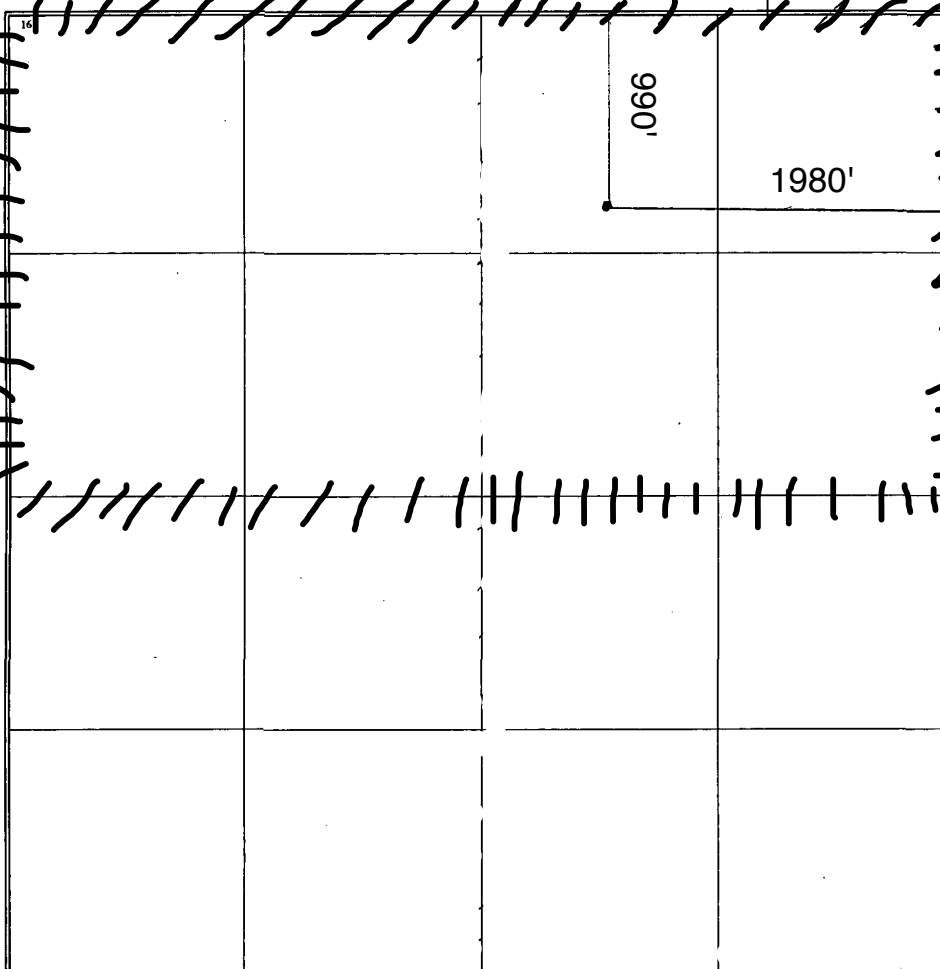

UL or lot no. B	Section 17	Township 22S	Range 27E	Lot Idn	Feet from the 990	North/South line N	Feet from the 1980	East/West line E	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

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.
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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.

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p>Signature:  Date: _____</p> <p>Printed Name: Jonathan Samaniego</p> <p>E-mail Address: _____</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey: _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number: _____</p>

Well: Saik No. 1

Location: 990' FNL & 1980' FEL

Sec 17, T22S, R27E

Spud: 12/7/73

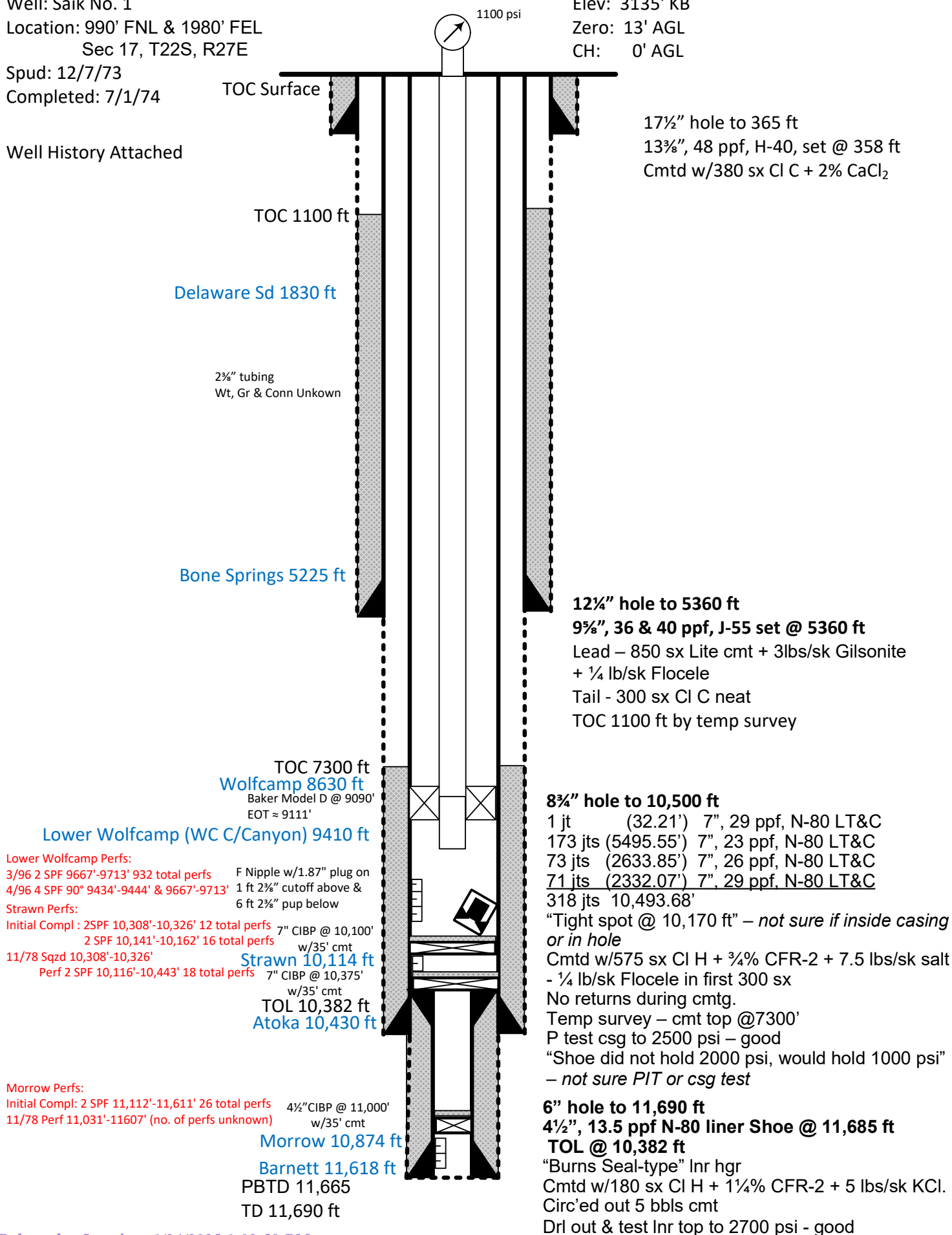
Completed: 7/1/74

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

WELL API NO.
30-015-20971
5. Indicate Type of Lease
STATE ☐ FEE ☒
6. State Oil & Gas Lease No.

<p>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.)</p>		7. Lease Name or Unit Agreement Name SAIK
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		8. Well Number #001
2. Name of Operator AMERICAN ENERGY RESOURCES LLC		9. OGRID Number 372991
3. Address of Operator P.O.Box 114 Hagerman, NM 88232		10. Pool name or Wildcat CARLSBAD WOLFCAMP, EAST
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>		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3122 GR		

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"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <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