

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

IN THE MATTER AND CONSIDERATION OF:

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

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

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

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

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

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

**APPLICATION OF AMERICAN ENERGY
RESOURCES, LLC, TO THE OCC FOR
DE NOVO HEARING AND EMERGENCY STAY**

OCC ORDER NO. R-24186

ALPHA’S RESPONSE TO AER’S AMENDED MOTION

Alpha Energy Partners II, LLC, (“Alpha”), through its undersigned attorneys, respectfully submits to the Oil Conservation Commission (“Commission” or “OCC”) its response (“Response”) to the amended motion regarding the attorney general and NMSA 1978, § 70-2-28 (“Amended Motion”) filed by American Energy Resources, LLC (“AER”) on April 9, 2026. After the Commission issued its final Order No. R-24186 in the above-referenced OCC cases (“Subject Cases”) and announced that the cases were closed (*see* Transcript of Subject Cases dated Jan. 15, 2026, 28: 13-16), Alpha assumed that because the Subject Cases were closed, no additional pleadings would be allowed or entertained. Therefore, Alpha’s initial response to AER’s first

motion appearing on the OCC's agenda for April 9, 2026 ("First Motion"), was to provide only an informative brief ("Brief") that might assist the Commission in its discussion of AER's First Motion.

However, because AER has since submitted an additional Amended Motion for which the Commission has scheduled time for a hearing, Alpha finds it necessary to provide the Commission with a formal response to the Amended Motion requesting that the Amended Motion be denied.

In support of its Response, Alpha states the following:

I. AER's Amended Motion is procedurally improper.

1. Because the Subject Cases and the record of the cases have been officially closed (*see id.*), AER's Amended Motion should be denied. Once a case and its record are closed, a party of record should not be permitted to continue to file pleadings in the matter without proper procedural authority.

2. The Commission's final order is clear, stating that the material dispute inherent to the Subject Cases (the controversy over property rights) is beyond the Commission's jurisdiction to resolve, and therefore, AER has not established that it has standing to file an application for *de novo* review at this time. *See* Order No. R-24186, ¶ 17 (the OCC dismissing AER's application). Subsequently, AER filed a request for rehearing,¹ but the Commission denied the request pursuant to NMSA 1978, § 70-2-25, and AER did not appeal the Commission's order to the district court. Thus, all proceedings available to continue the Subject Cases were exhausted and foreclosed when AER failed to pursue an appeal to the district court.

¹ Counsel for Alpha desires to address an oversight made in Alpha's Brief submitted to the OCC on April 8, 2026. In Paragraph 4 of the Brief, Counsel stated that AER did not file an Application for Rehearing nor did AER appeal the Subject Cases to district court. Upon further review of the record, counsel recognizes that AER's "Emergency Request for Emergency Rehearing and Emergency Stay" would serve as the "Application for Rehearing" allowed under Section 70-2-25, thus AER did request a rehearing, but it was denied. However, the statement that AER did not appeal the Subject Cases to district court remains accurate.

3. Consequently, because the Subject Cases are closed, and given the OCC's clear reasoning for closing the cases, the proper course for AER would have been to file and complete a quiet title action in the district court. If AER could obtain a judgment that confirms it owns a working interest in the Subject Lands, AER could then resubmit to the OCC an application for a *de novo* hearing to reopen the Subject Cases. However, because it has not pursued a quiet title action in district court, AER has not established any ownership interests in the Subject Lands, which is consistent with Alpha's analysis showing that AER has no ownership in the Subject Lands.

4. Thus, AER continues to avoid pursuing a quiet title action as required by Order No. R-24186 and instead submits an unauthorized motion as if the Subject Cases were still in progress after options under Section 70-2-25 have been exhausted. An awareness of its lack of ownership may be the reason AER continues to file motions with the OCC after the cases have been closed in lieu of filing a proper quiet title action in district court.

5. Furthermore, given the nature of its request and the terms of Section 70-2-28 on which its request relies, AER has submitted its Amended Motion to the wrong forum. Under Section 70-2-28, the Division, not the Commission, is the entity authorized to bring suit through the attorney general. Therefore, if AER seeks such a suit, the only conceivable procedure would be to file a new application with the Division requesting that the OCD initiate such an action, assuming arguendo that Section 70-2-28 gives standing to a third party to pursue such enforcement, which it does not.

6. Moreover, AER's Amended Motion not only accuses Alpha of violating rules under the New Mexico Oil and Gas Act ("OGA") but also alleges that the Division and Commission themselves have violated OGA statutes and rules. *See, e.g.*, AER's Amended Motion (examples of directly accusing the OCD and OCC of violations include: (1) AER's Motion "submitted to

raise alarms to the numerous New Mexico law being violated with the issuance [by the OCD and OCC] of Alpha pooling orders.” (p. 2) (2) “American has made numerous notices in its motions to the Division and Commission of its own failure to its own charged obligated duties under NMAC 19.15.5.8, and further notice to Division and Commission failed efforts to protect correlative rights, the environment, and public health” ¶ 2; (3) the OCD and OCC violated Section 70-2-31 by failing to collect civil penalties” (¶ 4(d)); (4) the OCD and OCC “willfully failed at their charged obligated duties under 19.15.5.8...when it approved an imprudent operator Alpha pooling cases and orders” (P 4(j)); and (5) the OCD and OCC “failed at their charged duties and Orders that blatantly willfully continued to violate even more numerous New Mexico laws under NMSA 70-2-31, that continued to the present date,” (¶4(k)), among numerous other baseless accusation against the OCD and OCC throughout the Amended Motion.

7. Thus, if AER’s proposed interpretation and application of Section 70-2-28 were valid, which it is not, and if AER’s allegations reflected actual violations, which they do not, then the Division would be required to bring suit through the attorney general not only against Alpha but also against the Commission and the Division itself, thereby reducing the application of the statute to an absurdity. Consequently, the premise of AER’s Amended Motion—that AER has a right under Section 70-2-28 to pursue or request a suit through the attorney general— must be rejected.

8. In actuality, under Section 70-2-28, only the Division has the authority to make a determination to bring suit pursuant to the statute, and a third party, such as AER, does not have standing to demand such enforcement. Procedurally, there are limited options available to AER for the adjudication of its misguided allegations: (1) AER could pursue a mandamus action in district court against the OCD and OCC in an effort to persuade a judge to rule that the OCD and OCC should not have issued their orders in the Subject Cases; and/or (2) AER could file a quiet

title action in district court to satisfy the purpose of the Commission's decision in Order No. R-24186 and resubmit an application for *de novo* hearing. The fact that AER has failed to pursue either option is more than telling about AER's lack of ability and standing to follow proper procedure. Because the record in the Subject Cases is closed, further motion practice in the Subject Cases is impermissible, and AER's Amended Motion should be denied.

II. AER misapplies Section 70-2-28

9. Under Section 70-2-28, only the Division has the authority to pursue a suit through the attorney general. Furthermore, the statute does not state that a suit must be brought if a person is violating a statute or rule but contains the qualifying language, "whenever it shall appear that a person is violating a statute or rule." *See* Section 70-2-28 (emphasis added). The qualifying term "appear" grants the Division the necessary discretion and flexibility to determine how to proceed under the statute, allowing it to pursue other means of enforcement available under the rules before finally concluding an operator is a lost cause who must be reported to the attorney general. It is only after an operator fails the initial enforcement opportunities offered that the OCD should finally conclude that the operator by "all appearances" due to its record of failures is in violation of a statute or rule.

10. The Division has the primary obligation to prevent waste and protect correlative rights and the initial tools available to the Division for enforcing compliance allows it to manage any violations in a manner that avoids additional waste, protects correlative rights, and rewards operators who make good-faith efforts to achieve compliance. The enforcement tools available to the Division, when utilized in a judicious manner, begin with a Notice of Violation ("NOV") to alert an operator of a situation that should be addressed. The NOV can be followed by a hearing in which plugging mandates or civil penalties are considered, or the NOV can be used to alert an operator that progress must be made toward compliance by working with the OCD, entering an

Agreed Compliance Order (“ACO”) or demonstrating good-faith efforts to achieve compliance. A harsh inflexible mandate imposed automatically in every situation to immediately plug a well, shut down production, impose civil penalties, or seek an enforcement suit through the attorney general would create substantial waste, undermine correlative rights, and strip the OCD and OCC of their ability to perform their mission under the OGA when a reasonable plan is available for achieving compliance without disrupting prudent development. *See* Alpha’s Brief, pp. 4-6, for a full discussion of Section 70-2-28.

III. Alpha has demonstrated its successful efforts to achieve compliance by pursuing its plan to update the status of its Older Wells.

11. As stated in its Brief, Alpha was forthright during the hearings before the Division and Commission about the status of its the Tracy B Com #1 well, Merland A Com #1 well, Colonia A Com #1 well, and the Kodiak #2 well (referred to herein as the “Older Wells”) and its plans to plug and abandon these wells and develop the Subject Lands with modern horizontal drilling technology, as used with the Hollywood Star wells, to achieve optimal production and protect correlative rights. *See* Alpha’s Brief, p. 6, ¶ 11. Given the primary mission of the Division and Commission under the OGA, the OCD and OCC must have the discretion and flexibility under 19.15.8 NMAC and Section 70-2-28 to fashion options and approve plans that achieve optimal production. The Division accomplishes its mission through the reasonable review and management of development projects within the prudent capabilities of operators, as it did with Alpha in the Subject Cases

12. During the hearings on which the Division based the issuance of Alpha’s pooling orders, Alpha described the status of its Older Wells and its plans to achieve compliance. Upon receiving its orders, Alpha promptly acted to fulfill its obligations in a timely and responsible manner. To date, Alpha reports that: (1) that the Tracy B Com #1 Well has been conveyed to

another operator who has completed the plugging of the well; (2) that the Merland A Com #1 Well, a well that has shut-in status, has been transferred to another operator who is currently plugging the well; (3) that the Colonia A Com #1 Well will be transferred to another operator within the next 30-45 days after the Merland Well is plugged, as planned; and (4) that the Kodiak #2 Well will be transferred to another operator within the next 30-45 days after the Colonia Well is plugged, as planned. Through these efforts, Alpha has been able to reduce its number of inactive wells to two wells, the Colonia and the Kodiak, with plans to further transfer these two wells to another operator. *See* Exhibit 1 (listing the number of inactive wells and the current status of the transfers).

IV. Concerns surrounding AER's wells persist.

13. While Alpha has been forthright and candid with the Division and Commission about its plans, openly answering any and all questions, AER has directly refused to answer the OCC's questions about its Saik #001 Well (API 30-015-20971) ("Saik Well"), which directly impacts Alpha's development plans. *See* Alpha's Brief, pp. 7-8. Evidence shows that the Saik Well has remained non-productive since at least 2010 and is in a state of disrepair that raises serious questions regarding AER's reported production of 1 MCF of production through 2025 and into 2026. *See* Alpha's Brief at Exhibit B.

14. Similarly, AER's other two wells—the Shipp 27 #001 Well (API 30-015-24876) ("Shipp Well") and the Rio Penasco KD Com #003 Well (API 30-015-23801) ("Rio Well")—exhibit the same pattern of years of non-production followed by AER's self-reporting of 1 MCF of gas per month starting in 2025 and continuing into 2026. The Ship Well ceased production in 2010 and was reported as non-productive for the next 14 years until AER began self-reporting 1 MCF of gas per month starting in 2025, and the same pattern exists for the Rio Well, which ceased production in 2001 and was reported as non-productive for the next 24 years until AER's self-reporting of 1 MCF of gas per month starting in 2025. *See* Exhibit 2 attached hereto for production

data. For all three wells to produce the exact same 1 MCF of gas per month through 2025 and into 2026, without any variation whatsoever, raises further questions about the accuracy and validity of AER's self-reporting.

15. Not only has Alpha shown that the Saik Well is in a condition of disrepair that prohibits production (*see* Exhibit B of Alpha's Brief), but clear evidence indicates that AER's Shipp Well is in a comparable state of disrepair, lacking a meter and functional pipelines necessary for production. *See* recent photographs depicting the Shipp Well's dilapidated nonfunctional condition attached hereto as Exhibit 3; *see also* Self-affirmed statement of Alpha's Landman describing his trip to the ranch on which the Shipp Well is located to obtain photographs, attached hereto as Exhibit 4.

16. At the previous OCC hearing, The Commission had simply and respectfully asked AER to explain how the Saik Well could produce 1 MCF of gas per month, offering AER the opportunity to account for the condition of the well, and in response, AER adamantly refused to answer the direct and reasonable questions of the Commission. *See* Alpha's Brief, pp. 7-8. Thus, because AER appears before the Commission with unclean hands and refuses to answer its questions, the Commission should deny AER's Amended Motion.

Conclusion:

Based on the reasons provided above, Alpha respectfully requests that the Commission deny AER's Amended Motion.

Respectfully Submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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Attorneys for Alpha Energy Partners II, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Commission and was served on counsel of record, or on the party of record, if no counsel was provided, via electronic mail on April 23, 2026:

Adam G. Rankin – agrankin@hollandhart.com
Paula M. Vance – pmvance@hollandhart.com
***Attorneys for Permian Resources Operating, LLC;
Sarvis Permian Land Fund I, LLC;
U.S. Energy Development Corporation; and
Sarvis Rockmont Permian Land Fund, LLC***

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Representative for American Energy Resources LLC

/s/ Darin C. Savage

Darin C. Savage

[Excel](#)

Inactive Well List

Total Well Count: 2 Inactive Well Count: 2
Printed On: Thursday, April 09 2026

District	API	Well	ULSTR	OCD Unit	Ogrid	Operator	Lease Type	Surface Owner	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-015-21593	COLONIA A COM #001	K-18-22S-27E	K	330859	Alpha Energy Partners LLC	P	P	G	03/2023			
2	30-015-33962	KODIAK #002	O-17-22S-27E	O	330859	Alpha Energy Partners LLC	P	P	G	02/2014	S CARLSBAD MORROW 73960 S/2		

WHERE Operator:330859, County:All, District:All, Township:All, Range:All, Section:All,
Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period



30-015-21416 TRACY B COM #001 [338989]

General Well Information

Operator: **[332449] Paloma Permian AssetCo, LLC**
 Status: Active
 Well Type: Gas
 Work Type: New

Surface Location: I-18-22S-27E 2045 FSL 479 FEL
 Lat/Long: 32.3907166,-104.2222824 NAD83
 GL Elevation: 3108
 KB Elevation:
 DF Elevation:

Direction: Vertical
 Multi-Lateral: No
 Mineral Owner: Private
 Surface Owner: Private

Sing/Mult Compl: Single
 Potash Waiver: False

Proposed Formation and/or Notes

Depths

Proposed: 0 True Vertical Depth: 11875
 Measured Vertical Depth: 11875 Plugback Measured: 0

4/23/2026 5:53:16 PM

4/24/2026 9:25:42 AM



30-015-20459 MERLAND A COM #001 [339049]

General Well Information

Operator: **[332449] Paloma Permian AssetCo, LLC**

Status: Active

Well Type: Gas

Work Type: New

Direction: Vertical

Multi-Lateral: No

Mineral Owner: Private

Surface Owner: Private

Surface Location: O-19-22S-27E 660 FSL 1400 FEL

Lat/Long: 32.3722649,-104.2253036 NAD83

GL Elevation:

KB Elevation:

DF Elevation:

Sing/Mult Compl: Single

Potash Waiver: False

Proposed Formation and/or Notes

Depths

Proposed: 0

Measured Vertical Depth: 11750

True Vertical Depth: 11750

Plugback Measured: 0

D: 4/23/2026 5:53:16 PM

gging: 4/24/2026 9:25:42 AM

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
Change of Operator

Form C-145
Revised May 19, 2017

Permit 412010

Previous Operator Information

New Operator Information

	Effective Date:	<div style="border: 1px solid black; padding: 2px;">Effective on the date of approval by the OCD</div>
OGRID:	<u>330859</u>	OGRID: <u>332449</u>
Name:	<u>Alpha Energy Partners LLC</u>	Name: <u>Paloma Permian AssetCo, LLC</u>
Address:	<u>PO Box 10701</u>	Address: <u>1100 Louisiana, Ste. 5100</u>
City, State, Zip:	<u>Midland, TX 79702</u>	City, State, Zip: <u>Houston, TX 77002</u>

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, Paloma Permian AssetCo, 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(l) NMAC.

Paloma Permian AssetCo, 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.

As the operator of record of wells in New Mexico, Paloma Permian AssetCo, LLC agrees to the following statements:

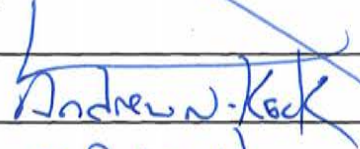
1. Initials AK I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand 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 AK 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 AK 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 AK 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 AK 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 AK 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 AK 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 AKS 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 AKS 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 AK 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 AK 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 AK NMOCD 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.

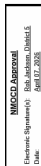
Previous Operator

Signature: 
 Printed Name: P. Nick Maxwell
 Title: CEO
 Date: 3/26/26 Phone: 432-219-8855

New Operator

Signature: 
 Printed Name: Andrew N. Keck
 Title: SUP-LAND
 Date: 4/6/26 Phone: 713-650-8500

Permit 412010



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

Wells Selected for Transfer

Permit 412010

1 Well Selected for Transfer

From: Alpha Energy Partners LLC	OGRID: 330859
To: Paloma Permian AssetCo, LLC	OGRID: 332449

OCD District: Artesia (1 Well selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
339049	MERLAND A COM #001	P	O-19-22S-27E	O	30-015-20459			G

30-025-24876 SHIPP 27 #001 [336779]

General Well Information

Operator:	[372991] American Energy Resources LLC	Direction:	Vertical
Status:	Active	Multi-Lateral:	No
Well Type:	Oil	Mineral Owner:	Private
Work Type:	New	Surface Owner:	Private
Surface Location:	O-27-16S-37E 660 FSL 1980 FEL		
Lat/Long:	32.8875198,-103.2359238 NAD83		
GL Elevation:	3776		
KB Elevation:		Sing/Mult Compl:	Single
DF Elevation:		Potash Waiver:	False

Proposed Formation and/or Notes

STRAWN

Depths

Proposed:	12402	True Vertical Depth:	12402
Measured Vertical Depth:	12402	Plugback Measured:	0



Event Dates

Initial APD Approval: 02/01/1975
 Most Recent APD Approval: 01/13/2025
 APD Cancellation:
 APD Extension Approval:
 Spud: 10/23/1974
 Approved Temporary
 Abandonment:
 Shut In:
 Plug and Abandoned Intent
 Received:
 Well Plugged:
 Site Release:
 Last Inspection: 04/17/2025

Current APD Expiration: 02/01/1977

Gas Capture Plan Received:
 TA Expiration:

PNR Expiration:
 Last MIT/BHT: 04/17/2025

History

Effective Date	Property	Well Number	Operator	C-101 Work Type	Well Type	Well Status	Apd Cancelled	Plug Date
01/13/2025	[336779] SHIPP 27	#001	[372991] American Energy Resources LLC	New	Oil	Active		
01/01/2002	[29496] SHIPP 27	#001	[209564] WILDCAT ENERGY LLC	New	Oil	Active		
04/01/2000	[25608] SHIPP 27	#001	[6550] DWIGHT A TIPTON	New	Oil	Active		
06/01/1996	[19068] SHIPP 27	#001	[20165] SAMSON RESOURCES CO	New	Oil	Active		
02/01/1975	[2919] SHIPP 27	#001	[25717] CODY ENERGY INC.	New	Oil	Active		

Pits & Containments

No Pits Found

Id	Name	Rule	Status	(Capacity) Type	Registration	Inspection Before *	Earliest Effective Commencement	Last Effective Cessation	Inspection After *	Closure Report	Reclamation Report	Restoration Complete
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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	470		0	0.0	0	0			0	No
Surface Casing	1		13.375	0	470		470	54.0	470	0		Class C Cement	450	No
Hole 2	1		8.625	0	4712		0	0.0	0	0			0	No
Intermediate 1 Casing	1		8.625	0	4712		4712	32.0	4712	0		Class C Cement	600	No
Hole 3	1		5.000	0	12402		0	0.0	0	0			0	No
Production Casing	1		5.000	0	12402		12402	17.0	12402	0		Class C Cement	1300	No
Packer	1		5.000	11413	11418		5	0.0	0	0			0	No

[10310] CASEY; STRAWN

Status: Active
Bottomhole Location: O-27-16S-37E 660 FSL 1980 FEL
Lat/Long:
Acreage: 80 27-16S-37E Units: J O
DHC: No

Last Produced: 02/01/2026

Consolidation Code:
Production Method: Flowing

Well Test Data

Production Test: 03/27/2009
Flowing Tubing Pressure: 13 psi
Choke Size: 0.990 inches
Gas Volume: 24.0 MCF
Gas-Oil Ratio: 0 Kcf / bbl
Disposition of Gas:

Test Length: 0 hours
Flowing Casing Pressure: 0 psi
Testing Method:
Oil Volume: 0.0 bbls
Oil Gravity: 0.0 Corr. API
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
	11328	11405	0	0

Notes

Event Dates

Initial Effective/Approval: 02/01/1975
Most Recent Approval: 01/13/2025
Confidential Requested On:
Test Allowable Approval:
TD Reached:
Deviation Report Received: No
Directional Survey Run: No

TA Expiration:
Confidential Until:
Test Allowable End:
DHC:
Rig Released:
Logs Received: No

2/12/2026 9:35:42 AM

Directional Survey Received: No
 First Oil Production: 03/27/2009
 First Injection:
 Ready to Produce: 03/27/2009
 C-104 Approval: 05/12/2009
 Plug Back:
 Authorization Revoked Start: 06/22/2017

Closure Pit Plat Received:
 First Gas Production: 03/27/2009
 Completion Report Received:
 New Well C-104 Approval:
 Revoked Until:

Well Completion History

Effective Date	Property	Well Number	Operator	Completion Status	TA Expiration Date
01/13/2025	[336779] SHIPP 27	#001	[372991] American Energy Resources LLC	Active	
01/01/2002	[29496] SHIPP 27	#001	[209564] WILDCAT ENERGY LLC	Active	
04/01/2000	[25608] SHIPP 27	#001	[6550] DWIGHT A TIPTON	Active	
06/01/1996	[19068] SHIPP 27	#001	[20165] SAMSON RESOURCES CO	Active	
02/01/1975	[2919] SHIPP 27	#001	[25717] CODY ENERGY INC.	Active	

Financial Assurance

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

cCOH0911136184

Violation Source: Field Inspection
Date of Violation: 04/21/2009
Compliance Required: 05/21/2009

Resolved: 05/12/2009

Notes

OCD requires when you put a well back on production form C104 with transporter, perms, tubing size and depth, and a 24 hour production test. Please submit form C104 to the Hobbs OCD office. If you have any questions on this matter, please call Cindy Herrera (575)393-6161 ext 118.

Actions/Events

Event Date	Category	Type
05/12/2009	Corrective Actions	Compliance Resolved
04/21/2009	Enforcements	Monitoring/Reporting

cJRH0904148943

Violation Source: Field Inspection
Date of Violation: 02/10/2009
Compliance Required: 05/16/2009

Resolved: 03/27/2009

Notes

Converted compliance record had no comment!

Actions/Events

Event Date	Category	Type
03/27/2009	Corrective Actions	Compliance Resolved
02/10/2009	Enforcements	Operation/Maintenance
02/10/2009	Notifications	Letter of Violation

Date of Violation: 05/20/2004
Compliance Required: 06/10/2004

Resolved: 09/27/2004

Notes

Shut In

Actions/Events

Event Date	Category	Type
09/27/2004	Corrective Actions	Compliance Resolved
08/17/2004	Enforcements	Operation/Maintenance
05/20/2004	Notifications	LT3 Unknown letter type

cJDR0421752592

Violation Source: Field Inspection
Date of Violation: 08/04/2004
Compliance Required: 09/04/2004

Resolved: 09/27/2004

Notes

shut in

Actions/Events

Event Date	Category	Type
09/27/2004	Corrective Actions	Compliance Resolved
08/04/2004	Enforcements	Operation/Maintenance
08/04/2004	Notifications	Referred for Hearing

Compliance Required: 12/20/2006

Resolved:

Notes

IDLE WELL, LEAKS, NO WELL SIGN

Actions/Events

Event Date	Category	Type
11/01/2006	Enforcements	Identification (Well Sign)
11/01/2006	Enforcements	Operation/Maintenance
11/01/2006	Notifications	LT2 Unknown letter type

cMAW1416332761

Violation Source: Field Inspection

Date of Violation: 06/12/2014

Compliance Required: 09/15/2014

Resolved:

Notes

No sign and idle well.

Actions/Events

Event Date	Category	Type
06/12/2014	Enforcements	Operation/Maintenance
06/12/2014	Enforcements	Identification (Well Sign)
06/12/2014	Notifications	Letter of Violation

Compliance Required: 12/01/2003

Resolved: 03/24/2004

Notes

SHUT IN. Transferred record to # 36717.for second letter.

Actions/Events

Event Date	Category	Type
03/24/2004	Corrective Actions	Other Notification
08/28/2003	Enforcements	Operation/Maintenance
08/28/2003	Notifications	Informal Letter (Inspector)

cELG0610235862

Violation Source: Field Inspection

Date of Violation: 04/12/2006

Compliance Required: 07/16/2006

Resolved:

Notes

S/I A LONGTIME-- NO SIGN--TANKS LKING NEED CU--

Actions/Events

Event Date	Category	Type
04/12/2006	Enforcements	Identification (Well Sign)
04/12/2006	Enforcements	Operation/Maintenance
04/12/2006	Notifications	Informal Letter (Inspector)

IR0408436717

dact

Violation Source: Field Inspection
Date of Violation: 03/24/2004
Compliance Required: 05/01/2004

Resolved: 09/27/2004

Notes

Shut in. Operator returned the well to production.

Actions/Events

Event Date	Category	Type
09/27/2004	Corrective Actions	Compliance Resolved
05/20/2004	Notifications	LT3 Unknown letter type
03/24/2004	Enforcements	Operation/Maintenance
03/24/2004	Notifications	LT2 Unknown letter type

cEZB2030861117

Violation Source: Field Inspection
Date of Violation: 10/09/2020
Compliance Required: 02/04/2021

Resolved:

Notes

20 3:35:10 PM

cDA2435943565

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

Resolved:

Notes

No well identification sign on location.

Actions/Events

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

Upstream Natural Gas Venting & Flaring

The upstream natural gas venting & flaring volumes are sourced from upstream natural gas waste reports (C-115B) submissions.

Earliest Natural Gas Waste Report in OCD

[Show All Upstream Venting & Flaring](#)

Records: 01/2025 Last: 02/2026

	Venting & Flaring Volumes			Beneficial Use	
	Vented (MCF)	Flared (MCF)	Total (MCF)		Used (MCF)
⊕ 2025	0	0	0		0
⊕ 2026	0	0	0		0
Grand Total:	0	0	0		0

	0	12	0	12	0	0	0	0	N/A
2026	0	2	0	2	0	0	0	0	N/A
Grand Total:	502,013	424,138	70,199	1,704	0	0	0	0	N/A

Transporters

Transporter	Product	Most Recent for Property
[147831] Lucid Artesia Company	Gas	2/2026

Points of Disposition

ID	Type	Description	Pool(s)
756850	Water		[10310] CASEY;STRAWN
756830	Gas		[10310] CASEY;STRAWN
756810	Oil		[10310] CASEY;STRAWN



30-015-23801 RIO PENASCO KD COM #003 [336658]

General Well Information

Operator: [\[372991\]](#) American Energy Resources LLC
 Status: Active
 Well Type: Gas
 Work Type: New

Direction: Vertical
 Multi-Lateral: No
 Mineral Owner: Private
 Surface Owner: Private

Surface Location: A-11-19S-25E 990 FNL 660 FEL
 Lat/Long: 32.680027,-104.4491119 NAD83
 GL Elevation: 3416
 KB Elevation:
 DF Elevation:

Sing/Mult Compl: Single
 Potash Waiver: False

Proposed Formation and/or Notes

Depths

Proposed: 0
 Measured Vertical Depth: 9360

True Vertical Depth: 9360
 Plugback Measured: 0

Formation	Top	Producing	Method Obtained
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Event Dates

Initial APD Approval:	08/01/1992		
Most Recent APD Approval:	01/10/2025	Current APD Expiration:	08/01/1994
APD Cancellation:			
APD Extension Approval:			
Spud:	05/28/1981	Gas Capture Plan Received:	
Approved Temporary Abandonment:		TA Expiration:	
Shut In:			
Plug and Abandoned Intent Received:	09/24/2024	PNR Expiration:	
Well Plugged:		Last MIT/BHT:	04/18/2025
Site Release:			
Last Inspection:	04/18/2025		

History

Effective Date	Property	Well Number	Operator	C-101 Work Type	Well Type	Well Status	Apd Cancelled	Plug Date
01/10/2025	[336658] RIO PENASCO KD COM	#003	[372991] American Energy Resources LLC	New	Gas	Active		
08/01/2003	[32686] RIO PENASCO KD COM	#003	[209564] WILDCAT ENERGY LLC	New	Gas	Active		
08/01/1992	[12678] RIO PENASCO KD COM	#003	[25575] EOG Y RESOURCES, INC.	New	Gas			

Pits & Containments

No Pits Found

Id	Name	Rule	Status	(Capacity) Type	Registration	Inspection Before *	Earliest Effective Commencement	Last Effective Cessation	Inspection After *	Closure Report	Reclamation Report	Restoration Complete
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Casing

No Casing Found

Well Completions

[15472] DAGGER DRAW; UPPER PENN, NORTH

Status:	Active	Last Produced:	02/01/2026
Bottomhole Location:	A-11-19S-25E 990 FNL 660 FEL		
Lat/Long:			
Acreage:	NE/160 11-19S-25E Units: A B G H		
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

Formation)

(End of Lateral)

Notes

Event Dates

Initial Effective/Approval: 08/01/1992

Most Recent Approval: 01/10/2025

Confidential Requested On:

Test Allowable Approval:

TD Reached:

Deviation Report Received: No

Directional Survey Run: No

Directional Survey Received: No

First Oil Production:

First Injection:

Ready to Produce:

C-104 Approval:

Plug Back:

Authorization Revoked Start: 06/22/2017

TA Expiration:

Confidential Until:

Test Allowable End:

DHC:

Rig Released:

Logs Received: No

Closure Pit Plat Received:

First Gas Production:

Completion Report Received:

New Well C-104 Approval:

Revoked Until:

Well Completion History

Effective Date	Property	Well Number	Operator	Completion Status	TA Expiration Date
01/10/2025	[336658] RIO PENASCO KD COM	#003	[372991] American Energy Resources LLC	Active	
08/01/2003	[32686] RIO PENASCO KD COM	#003	[209564] WILDCAT ENERGY LLC	Active	
11/16/1998	[12678] RIO PENASCO KD COM	#003	[25575] EOG Y RESOURCES, INC.	Temporary Abandonment	
08/01/1992	[12678] RIO PENASCO KD COM	#003	[25575] EOG Y RESOURCES, INC.	Active	

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.

cVAB0313346920

Violation Source: Field Inspection

Date of Violation: 01/24/2003

Compliance Required: 08/25/2003

Resolved: 08/14/2003

Notes

Converted compliance record had no comment!

Actions/Events

Event Date	Category	Type
08/14/2003	Corrective Actions	Other Notification
05/13/2003	Enforcements	Mechanical Integrity
05/13/2003	Notifications	LT2 Unknown letter type
02/04/2003	Notifications	Other Notification

2006-0-25-12 11/11

TWG0932859512

Violation Source:
Date of Violation: 11/24/2009
Compliance Required: 12/18/2009

Resolved:

Notes

Converted compliance record had no comment!

Actions/Events

Event Date	Category	Type
11/24/2009	Enforcements	Pit Violation
11/24/2009	Enforcements	Identification (Well Sign)
11/24/2009	Enforcements	Plug/Abandonment
11/24/2009	Notifications	Letter of Violation

cTM1720033712

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	Enforcements	Identification (Well Sign)
07/19/2017	Notifications	Letter of Violation

cCZH2030227579

Violation Source: Field Inspection

Date of Violation: 10/23/2020

Compliance Required: 01/21/2021

Resolved:

Notes**Actions/Events**

Event Date	Category	Type
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cCZH2030229927

Violation Source: Field Inspection

Date of Violation: 10/23/2020

Compliance Required: 01/21/2021

Resolved:

Notes

Actions/Events

Event Date	Category	Type
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cCZH211129385

Violation Source:	Field Inspection		
Date of Violation:	10/23/2020		
Compliance Required:	01/21/2021	Resolved:	01/11/2021

Notes

Well scheduled for P&A

Actions/Events

Event Date	Category	Type
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cCZH211136711

Violation Source:	Field Inspection		
Date of Violation:	10/23/2020		
Compliance Required:	01/21/2021	Resolved:	01/11/2021

Notes

Well is to be P&A

6:09:25:42 AM

Event Date	Category	Type
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cDA2130951852

Violation Source: Field Inspection
Date of Violation: 11/05/2021
Compliance Required: 02/03/2022

Resolved:

Notes

NEEDS TO BE PLUGGED

Actions/Events

Event Date	Category	Type
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cDZC2421827675

Violation Source: Field Inspection
Date of Violation: 08/02/2024
Compliance Required: 10/31/2024

Resolved:

Notes

Idle well, last production reported 10-31-1996. Second notice.

08/05/2024	Notifications	Pre Enforcement Notification
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cDZC2421827676

Violation Source: Field Inspection
Date of Violation: 08/02/2024
Compliance Required: 10/31/2024

Resolved:

Notes

Well sign missing from location. Install well sign per rule.

Actions/Events

Event Date	Category	Type
01/03/2025	Notifications	Pre Enforcement Notification
08/05/2024	Notifications	Pre Enforcement Notification

Reported Releases

The reported release volumes are sourced from C-141 submissions.

Earliest Reported Release in OCD Records:

Last:

[Show All Reported Releases](#)

	Release Volumes				Additional Details			
	BBLS	LBS	MCF	UNK	Type	Product	Severity	Status
1800 (1)	0	0	0	0				
Grand Total:	0	0	0	0				

Upstream Natural Gas Venting & Flaring

The upstream natural gas venting & flaring volumes are sourced from upstream natural gas waste reports (C-115B) submissions.

Earliest Natural Gas Waste Report in OCD

[Show All Upstream Venting & Flaring](#)

Records: 01/2025 Last: 02/2026

	Venting & Flaring Volumes			Beneficial Use	
	Vented (MCF)	Flared (MCF)	Total (MCF)		Used (MCF)
⊕ 2025	0	0	0		0
⊕ 2026	0	0	0		0
Grand Total:	0	0	0		0

Orders

Please login to review the orders associated with this well.

2014	0	0	0	0	0	0	0	0	0	N/A
2015	0	0	0	0	0	0	0	0	0	N/A
2016	0	0	0	0	0	0	0	0	0	N/A
2017	0	0	0	0	0	0	0	0	0	N/A
2018	0	0	0	0	0	0	0	0	0	N/A
2019	0	0	0	0	0	0	0	0	0	N/A
2020	0	0	0	0	0	0	0	0	0	N/A
2021	0	0	0	0	0	0	0	0	0	N/A
2025	0	12	0	12	0	0	0	0	0	N/A
2026	0	2	0	2	0	0	0	0	0	N/A
Grand Total:	2,782	7,648	343,998	271	0	0	0	0	0	N/A

Transporters

Transporter

Product

Most Recent for Property

Points of Disposition

ID	Type	Description	Pool(s)
2710350	Water		[15472] DAGGER DRAW;UPPER PENN, NORTH
2710330	Gas		[15472] DAGGER DRAW;UPPER PENN, NORTH
2710310	Oil		[15472] DAGGER DRAW;UPPER PENN, NORTH

Eight (8) photos of the Shipp 27 #001 Well (API 30-015-24876) taken on December 9, 2025



EXHIBIT
3















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

IN THE MATTER AND CONSIDERATION OF:

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

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

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

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

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

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

APPLICATION OF AMERICAN ENERGY RESOURCES, LLC, TO THE OCC FOR DE NOVO HEARING AND EMERGENCY STAY

OCC ORDER NO. R-24186

SELF-AFFIRMED STATEMENT OF JOHN COFFMAN

I, John Coffman, state and affirm the following:

1. I am over the age of eighteen years and have the capacity to execute this Statement, which is based on my personal knowledge.
2. I am employed as a Landman with Alpha Energy Partners II, LLC (“Alpha”), affiliate successor in interest to Alpha Energy Partners, LLC, and I am familiar with the subject application and the lands involved.



3. I graduated from Texas Tech University with a bachelor's degree in business (Energy Commerce) in 2018. I have worked at Alpha for approximately 2 years, and I have been working in New Mexico for 8 years. My credentials as a petroleum landman have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.

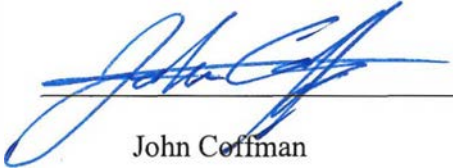
4. As I previously stated in Exhibit 5 of Alpha's Motion Requesting an Evidentiary Hearing to Determine Whether the Saik #001 Well Should be Plugged, on November 12, 2025, I traveled to the site of the Saik #001 Well (API 30-015-20971) ("Saik Well"), inspected the well site and took photographs which showed the state of disrepair and dilapidation of the Saik Well, including the absence of a meter for measuring production and functional gathering lines. My description and statement about the condition of the Saik Well is included in Exhibit B of Alpha's Brief to the Oil Conservation Commission Respectfully Submitted to Offer Information the Commission May Find Relevant to its Discussion of the Misplaced Motion Filed by American Energy Resources ("AER").

5. After visiting the Saik Well location, I traveled to the location of the Shipp 27 #001 Well (API 30-015-24876) ("Shipp Well"), was able to inspect the well, and took photographs which show the state of disrepair and dilapidation of the Shipp Well, including the absence of a meter for measuring production and functional gathering lines. The photographs, included as Exhibit 3 of Alpha's Response to AER's Amended Motion, show that the Shipp Well is in no condition to produce oil or gas nor measure the production.

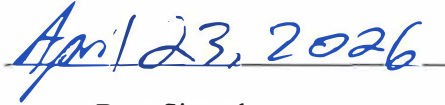
6. After visiting the Shipp Well location, I also tried to drive to the location of the Rio Penasco KD Com #003 Well (API 30-015-23801) ("Rio Well"), but there were no public county roads that would provide access to the Rio Well, so I was not able to photograph the condition of this well.

Signature page of Self-Affirmed Statement of John Coffman:

I understand that this Self-Affirmed Statement will be used as written testimony before the Commission and affirm that my testimony herein is true and correct, to the best of my knowledge and belief, and made under penalty of perjury under the laws of the State of New Mexico.



John Coffman



Date Signed