

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

IN THE MATTER OF

OCC ORDER NO. R-24185

**Application of Alpha Energy
Partners, LLC, for Compulsory
Pooling, and, To the Extent
Necessary, Approval of an Overlapping
Spacing Unit, Eddy County, New Mexico**

**OCD Case No. 25166
Order No. 23961**

**OCD Case No. 25496
Order No. 23989**

OCC Case No. 25700

**ORDER GRANTING ALPHA ENERGY PARTNER'S MOTION FOR SUMMARY
JUDGMENT AND DISMISSING WARREN AND LILLIE ANDERSON'S
APPLICATION FOR DE NOVO HEARING**

This matter came before the New Mexico Oil Conservation Commission ("Commission") concerning Warren and Lillie Anderson's Application for De Novo Hearing. Having considered the request, and being fully appraised in the matter,

IT IS HEREBY ORDERED as follows:

1. On October 9, 2025, Warren and Lillie Anderson ("Andersons") filed an Application for De Novo Hearing to the Commission, seeking review of Division Orders Nos. R-23961 and 23989, which granted Alpha Energy Partners' (Alpha) request for compulsory pooling.
2. Compulsory pooling is a legal mechanism under the New Mexico Oil and Gas Act where the Division can compel owners of separately owned mineral interests within a spacing unit to combine their lands to ensure development occurs without unnecessary wells, allow for efficient oil and gas development, prevent waste, and protect correlative rights, when owners are unable to come to a voluntary agreement. NMSA 1978, § 70-2-17.

3. The Oil Conservation Commission and Oil Conservation Division have developed several factors that they may consider in evaluating compulsory pooling applications:
 - a. “A comparison of geologic evidence presented by each party as it relates to the proposed well location and the potential of each proposed prospect to efficiently recover the oil and gas reserves underlying the property.
 - b. A comparison of the risk associated with the parties’ respective proposal for the exploration and development of the property.
 - c. A review of the negotiations between the competing parties prior to the applications to force pool to determine if there was a ‘good faith’ effort.
 - d. A comparison of the ability of each party to prudently operate the property and, thereby, prevent waste.
 - e. A comparison of the differences in well cost estimates (AFEs) and other operational costs presented by each party for their respective proposals.
 - f. An evaluation of the mineral interest ownership held by each party at the time the application was heard.
 - g. A comparison of the ability of the applicants to timely locate well sites and to operate on the surface (the surface factor).” Order R-23089-A, para. 12.
4. The Andersons are interest owners in the subject area.
5. In this de novo proceeding, the Andersons contest criteria ‘c’ and allege that Alpha had not negotiated with them in good faith.
6. On October 21, 2025, Alpha filed a Motion for Summary Judgment and Amended Motion for Summary Judgment. Alpha’s Motion for Summary Judgment included exhibits.

- a. The exhibits included nine pages of email exchanges between Alpha and the Andersons documenting relevant negotiations between them.
 - b. The emails included back and forth with questions and answers on the proposed monetary terms.
 - c. The emails included back and forth on cost per barrel, monthly/yearly rental and dollar amounts.
 - d. The emails included offers and counteroffer proposals regarding the percentage of royalties in the lease and signing bonus amounts.
 - e. Alpha also submitted a Self-Affirmed Statement from a representative of Alpha.
 - f. Mr. John Coffman wrote that Alpha offered the Andersons the “going rates in the area.”
7. On December 11, 2025, the Andersons filed a responsive pleading and additional exhibits.
 8. On December 17, 2025, the Commission heard oral argument from the parties on the motion. At this hearing, the Commission asked the Andersons whether they dispute the authenticity of the email exchanges submitted by Alpha. The Andersons did not dispute the accuracy of the email exchanges.
 9. Summary judgment is appropriate where “there is no genuine issue as to any material fact and ... the moving party is entitled to a judgment as a matter of law.” *Federal National Mortgage Association v. Trissell*, 2022-NMCA-001, para. 5 (citing to Rule 1-056(C) NMRA).
 10. Because the Andersons did not dispute the authenticity of the email exchanges provided, there is no genuine issue of material fact that the parties did in fact negotiate regarding this matter.
 11. The contents of the emails also provide *prima facie* evidence of good faith efforts between the parties to negotiate, even if the parties were ultimately unable to come to an agreement. The

Andersons have not provided evidence that would demonstrate bad faith on Alpha's part.

Therefore the Commission finds that Alpha satisfied criteria 'c'.

12. Even if the Andersons could prevail on criteria 'c', prevailing on that criterion alone is not necessarily sufficient to overturn the underlying Division findings because that criterion is only one part of a seven-factor analytical framework for evaluating compulsory pooling applications.

THEREFORE, Alpha's Motion for Summary Judgment is GRANTED. Division Orders Nos. R-23961 and R-23989 are AFFIRMED and The Andersons' application is DISMISSED.

DATED: 1/15/2026



Albert C.S. Chang, Chairman
New Mexico Oil Conservation Commission