STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION OF AMERICAN
ENERGY RESOURCES LLC,
FOR DE NOVO HEARING,
EDDY COUNTY, NEW MEXICO

CASE NOS. 25694 25695 25696

WRITTEN APPLICATION FOR EMERGANCY MOTION TO STAY DIVISION ORDERS NOS. R-23961, R-23989, R-23977

American Energy Resources LLC (American) hereby submits this written application for emergency motion to stay division order nos. R-23961, R-23989, R-23977 involving case nos. 25166, 25495, 25496 pursuant to 19.15.4.23(B) NMAC.

A copy of the final orders is attached hereto as ("Exhibit R1, R2, and R3")

... 13) The Rules require that an applicant for compulsory pooling provide individual notice "to each owner of an interest in the mineral estate of any portion of the lands the applicant proposes to be pooled". 19.15.4.12(A)(1)(a) NMAC and further, the Rules provide that the failure to provide notice as required by the Rules can be cause to reopen a case. 19.15.4.12(D) NMAC

...28) This order shall terminate automatically if the Applicant fails to comply with 19.15.4.12 B and 19.15.4.12 C NMAC.

Further, the final order failed to acknowledge that Alpha Energy Partners II LLC proposed its development plan on false and mistaken premises that disqualified it from operatorship.

- Alpha In-housed landman John Coffman failed to do a proper chain of title search on interest owners interest ownership in the unit, to benefit his employer, Alpha.
- 2) Alpha failed to offer effected parties their just consideration through their order granted by the Division further unjustly changing interest ownerships of interest owners and even willfully failed to recognize interest owners.
- 3) John Coffman as a creature of nature has shown to abuse his Inhouse landman position to abuse title searches for his employer Alpha benefits for profits.
- 4) Alpha through its elaborate scheme attempted to defraud an interest owner their just consideration.

Given the substantive implications and binding effect of the final order's terms, American respectfully requests an Emergency Stay to preserve the status quo and thereby prevent immediate and irreparable harm to effected parties.

BACKGROUND.

American is an interest owner in the proposed pool of Alpha Energy Operating II LLC for the HSU wells covers the Wolfcamp formation underlying the Section 17 and 18, located in Township 22 South, Range 27 East, Eddy County, and the Bonespring formations underlying the N2N2 of Section 17 and 18, located in Township 22 South, Range 27 East, Eddy County, and the Bonespring formations underlying the S2N2 of Section 17 and 18, located in Township 22 South, Range 27 East, Eddy County.

Alpha filed their compulsory pool application on 1/15/2025 and was set for hearing on 3/13/2025, on 7/8/2025 and set for hearing on 8/7/2025, on 7/8/2025 and set for hearing on 8/7/2025 as Case No. 25166, 25496, 25495 for their proposed pool for the HSU wells in the N2 of Section 17 and 18, located in Township 22 South, Range 27 East, Eddy County, N2N2 of Section 17 and 18, located in Township 22 South, Range 27 East, Eddy County, S2N2 of Section 17 and 18, located in Township 22 South, Range 27 East, Eddy County.

At hearing John Coffman was asked a question, ("does a lease automatically terminate or does a lease terminate under specific laws being followed under 70-1-5 Oil and Gas Act") that ("Demand for release must proceed action"), and John Coffman response under oath, ("it depends on the lease"), as evidence provided as being an admittance to violations of state law of rule 19.15.4.12 (A)(1)(a), for not sending notifications to affected parties with their application and case.

OCD Director Albert Chang issued final order nos. R-23961, R-23989, R-23977 on 9/8/2025.

Jonathan Samaniego filed a written application for de novo hearing on 10/2/2025, for case nos. 25166, 25496, 25495 and order nos. R-23961, R-23989, R-23977 to OCD and OCC employees on October 2, 2025 for Alpha Energy Operating II LLC violating the final order and state law.

CONSLUSIONS

The Examiner over compensated Alpha Energy Operating II LLC through their Inhoused landman John Coffman sleight of hand.

Alpha Claims are without the burden of proof of evidence of any terms in any lease showing an automatic termination of any of American individual leases totaling around a hundred leases, more or less.

Alpha in housed landman John Coffman willfully failed to recognize interest owners and unjustly failed to provide interest owners with just compensation through an elaborate premeditated scheme.

The Examiner final order, once it was issued, was erroneous, arbitrary, and capricious in its decision to rashly deny interest owners their fair and just compensation.

Alpha Energy Operating II LLC in fact caused great harm to correlative rights and created waste which is a violation of New Mexico State law.

American has lease ownership in HSU unit and lands and with American ownership in the HSU unit and lands, American has correlative rights that must be protected under state law 70-2-11 NMAC and court ruling:

Continental Oil Co. v. Oil Conservation Commission 1962 and

Sims v. Mechem 1963

The final order nos. R-23961, R-23989, R-23977 is flawed on levels that are prohibited by New Mexico State law and therefore should be granted an Emergency Stay.

...There are concerns that the OCD, in issuing the final order, did not review and consider the evidence, such as the misrepresentation of interest ownership.

American has met the test for justifying a stay of the final order until such time as the commission issues its decision on the cases.

Under the fourth part test adopted by the commission in Tenneco Oil Co. v. N.M. Water Quality Control Comm'n, 1986-NMCA-033, ¶ 10 and applied in commission Order No. R-14300-A, ¶ 5, American satisfied the requirements for a stay of the Divisions final order. After a review that accounts for the directives of the state obligation to protect correlative rights by allocating to owners their just and equitable share of production, the proper consideration of the total costs of a development plan to prevent economic waste,

First prong, is that American is justly owed dues and will succeed in collecting it's just dues on the merit, thus meeting the first element of the Tenneco Standard.

Second prong, is that Alpha failed requirements under state law and the final order that caused irreversible harm to correlative rights owners, causing economic waste, waste, and violating correlative rights of owners through their willful failed efforts to notify and compensate interest owners and imposing severe economic burdens on net returns, thus meeting the second element of the Tenneco Standard.

A stay, pursuant to Tenneco's Third prong, would not result in any substantial harm to other parties, as all owners subject to the order would receive their fair and just compensation due to parties from the illegal oil and gas sales proceeds.

In satisfaction of Tenneco's last prong, there is no harm to the public. In fact if the order is not stayed the public will be harmed through misprision of the act of concealing a crime, mandatory reporting, and federal law of misprision of a felony.

Manning v. Energy Minerals 2006 NMSC-027, ¶ 45-47, 144 P.3d 87 (showing that an administrative agency using its police powers to authorize a taking without compensation is UNCONSTITUTIONAL and subject to the TAKING CLAUSE).

New Mexico law is very specific under 70-1-5 Oil and Gas Act that only the Owner of the lease lands can initiate a termination under laws followed.

New Mexico law is specific under 70-1-4 Oil and Gas Act that only the owner of the lease lands can sue in court of competent jurisdiction to obtain such release.

Alpha's, failure of burden of proof, by not presenting evidence that show that New Mexico laws and the Oil and Gas Act were properly followed for such an extreme demand of Terminating leases and for any person to consider such a decision would be outside of the OCD and OCC jurisdiction, and further a violation of New Mexico laws.

Therefore, American correlative rights are protected by State law, which allows a correlative owner such as American the right to manage and protect its correlative rights, from any erroneous, arbitrary, and capricious decision, that would in fact cause great irreversible harm and future harm to an effected party such as American.

- 1) The final order failed to acknowledge Alpha proposed its development plan on false and mistaken premises that disqualify it from operatorship, and the only remedy is to deny, cancel, void, terminate order nos. R-23961, R-23989, R-23977 and case nos. 25166, 25495, 25496 in its entirety.
- 2) Issue sanctions, penalties, and fines against Alpha Energy Operating II LLC for their fraudulent acts to abuse title.
- 3) John Coffman credibility is compromised with fraudulent acts, the Division must issue permanent sanctions against John Coffman from participating in New Mexico oil and gas title work, to prevent these issues from arising again.
- 4) The Division is charged with the duty to bring such acts to the Attorney General to bring civil action on the violator, with great respect to obligated duties toward the Statutes, Rules, and the Oil and Gas Act.

Furthermore, the OCD and OCC are further charged and obligated with their duties to bring such sanctions, penalties, and other means of law against such a willful violator, who willfully attempt to violate New Mexico law obligated duties to protect correlative rights with respect to obligated duties toward the Statutes, Rules, and the Oil and Gas Act. Violation of the oil and gas act 70-2-31 (H) is subject to all the same penalties.

Enforcement of Statutes and Rules 19.15.5.8 Charges the Division with the duty and obligation of enforcing the state's rules and statutes relating to the conservation of oil and gas, including the prevention of waste and the protection of correlative rights;

70-2-28 If <u>ANY PERSON</u> violates, threatens to violate, any Statues with respect to the conservation of oil and gas, or both, or any provisions, or any rule, regulation or order made, the Division through the Attorney General will bring suit against such person or operator for penalties, if any are applicable, and to RETRAIN SUCH A PERSON FROM CONTINUAING SUCH VIOLATIONS OR FROM CARRYING OUT THE THREAT OF VIOLATIONS.

American has provided evidence that Alpha through their counsel willfully failed at their obligated duties as required by New Mexico law and its acts were unlawfully negligent, willfully negligent, gross negligent, sleight of hand, and fraudulent with a motive to overcompensate Alpha for profits.

American respectfully requests that an Emergency Stay of Order Nos. R-23961, R-23989, R-23977 of cases nos. 25166, 25495, 25496 granted.

Respectfully La nitted,

Jonathan Samaniego
P.O. Boy 1, 4 Hagerman, NM 88232

Ellergy.jrs@gmait.com

Representative for American Energy Resources, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true a correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via Electronic mail on October 22, 2025:

Freya Tschantz, Law Clerk
Freya.Tschantz@emnrd.nm.gov
OCD.Hearings@emnrd.nm.gov
EMNRD-Oil Conservation on Division Clerk

Darin C. Savage
Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com
Attorneys for Alpha Energy Partners LLC

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, New Mexico 87504
mfeldewert@hollandhart.com
agrankin@hollandhart.com
pmvance@hollandhart.com
Attorneys for Permian Resources Opera ng,
LLC, Sarvis Permian Land Fund I, LLC, U.S.
Energy Development Corpora on, and Sarvis
Rockmont Permian Land Fund, LLC

Kaitlyn A. Luck

P.O. Box 483
Taos, NM 87571
luck.kaitlyn@gmail.com
(361) 648-1973
Attorney for Chief Capital (O&G) II LLC,
Covenant Hercules LLC,
Christian Capstone LLC,
and Crusader Royalties LLC

Warren Anderson Lilli Anderson 1310 Forest Avenue Pasadena, CA 91103 WarZulu91@gmail.com Pro Se

(EXHIBIT R3)

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY AEP II OPERATING, LLC

CASE NO. 25496 **ORDER NO.** R-23989

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on August 27, 2025, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

- 1. AEP II Operating, LLC ("Applicant") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. Applicant seeks to have Paloma Permian AssetCo, LLC ("Paloma") designated as the operator of the Unit.
- 2. Applicant will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Applicant proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Applicant identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Applicant presented evidence through affidavits in support of the Application.
- 6. Warren and Lillie Anderson ("Andersons") objected to the hearing proceeding by affidavit on or about August 5, 2025. In their objection, Andersons stated that Applicant negotiated in bad faith. At hearing, Applicant's expert submitted an affidavit that it negotiated in good faith as follows:
 - a. Applicant was in regular communication with Andersons:
 - i. On April 25, 2025, well proposals were sent.
 - ii. On May 8, 2025, well proposals were received.
 - iii. On July 30, 2025, an email was received regarding lease terms.

- iv. Between August 1, 2025 and August 21, 2025, ongoing discussions to reach an agreement occurred.
- b. Andersons own 0.275482 acres of unleased mineral interest in the Unit ("Andersons' Acreage).
- c. Applicant offered to lease Andersons' Acreage for \$5,000 (approximately \$18,100 per acre) and 25% royalty for a 3-year lease with an option to extend the lease for an additional two (2) years for \$5,000 (approximately \$18,100 per acre).
- d. Applicant testified that its lease offer to Andersons was above fair market value.
- e. Andersons offered to allow Applicant to lease Andersons' Acreage for:
 - i. \$14,000 per year for the first three (3) years (total of \$42,000 or approximately \$152,400 per acre);
 - ii. \$900 per month for the first three (3) years (total of \$32,400 or approximately \$117,600 per acre);
 - iii. 25% royalty; and
 - iv. \$1.50 per barrel sold from each well (approximately 2,500% royalty when oil is sold at \$70 per barrel).
- f. Applicant testified that it negotiated with Andersons in good faith.
- 7. Applicant provided notice of Case No. 25496 to Bobby Anderson rather than Andersons. Applicant submitted an affidavit and testimony regarding this topic as follows:
 - a. A title search at the Eddy County courthouse was conducted on or around October of 2024. The results of that title search concluded that Andersons' Acreage is recorded as being owned by Bobby Anderson.
 - b. Ongoing monitoring of title has indicated that a probate has not been submitted into record showing the transfer of ownership of Andersons' Acreage to another person.

Andersons submitted testimony regarding this topic as follows:

- c. Bobby Anderson has been deceased for approximately twenty (20) years and Andersons' Acreage is now owned by Bobby Anderson's daughter, Lillie Anderson.
- d. A probate indicating the transfer of ownership of Andersons' Acreage to Lillie Anderson was filed approximately twenty (20) years ago.

CONCLUSIONS OF LAW

- 8. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 9. Applicant is the owner of an oil and gas working interest within the Unit.
- 10. Applicant satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 11. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 12. NMSA 1978, Section 70 does not define what constitutes as "good faith" effort, therefore good faith effort claims are reviewed by OCD on a case-by-case basis. The Oil Conservation Commission issued Order R-21679-D on July 14, 2022, which utilizes criteria established in Order R-13165 issued on September 15, 2009. The relevant part of Findings Paragraph 5 of Order R-13165 states:
 - "(d) The issue of compliance with the more subjective requirement the Division has customarily recognized for good faith negotiation is better examined in these cases, and in most cases, at the compulsory pooling hearing, based upon a full evidentiary record...[emphasis added]"

Thus, based upon evidence received at the hearing and in the administrative record, Applicant negotiated with Andersons in good faith.

- 13. Applicant has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 14. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 15. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 16. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 17. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

18. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.

CASE NO. 25496 ORDER NO. R-23989

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- 19. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 20. Paloma is designated as operator of the Unit and the Well(s).
- 21. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Applicant shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 22. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Applicant shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
- 23. The Applicant shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 24. This Order shall terminate automatically if the Applicant fails to comply with the preceding paragraph unless the Applicant requests an extension by notifying the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the extension is automatically granted up to one year. If a protest is received the extension is not granted and the Applicant must set the case for a hearing.
- 25. Applicant may propose reasonable deviations from the development plan via notice to the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the deviation is automatically granted. If a protest is received the deviation is not granted and the Applicant must set the case for a hearing.
- 26. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 27. Applicant shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 28. No later than thirty (30) days after Applicant submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Applicant no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the

- Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 29. No later than one hundred eighty (180) days after Applicant submits a Form C-105 for a well, Applicant shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 30. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Applicant its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Applicant shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 31. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 32. No later than within ninety (90) days after Applicant submits a Form C-105 for a well, Applicant shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 33. Applicant may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 34. Applicant may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges;

and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

- 35. Applicant shall distribute a proportionate share of the costs and charges withheld pursuant to the preceding paragraph to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 36. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Applicant shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 38. Except as provided above, Applicant shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 et seq., and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 et seq.
- 39. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Applicant shall inform OCD no later than thirty (30) days after such occurrence.
- 40. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ALBERT CHANG DIRECTOR

Albert Chang

AC/dm

Date: 9/8/2025

R-23989 EXHIBIT A

ALPHA COMPULSORY POOLING APPLICATION CHECKLIST		
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS		
Case: 25496	APPLICANT'S RESPONSE	
Date: August 7, 2025 (Scheduled hearing)		
Applicant	Alpha Energy Partners II, LLC	
Designated Operator & OGRID (affiliation if applicable)	Paloma Permian AssetCO, LLC, OGRID No. 332449	
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.	
Case Title:	APPLICATION OF ALPHA ENERGY PARTNER II, LLC, FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO	
Entries of Appearance/Intervenors:	N/A	
Well Family	Hollywood Star	
Formation/Pool		
Formation Name(s) or Vertical Extent:	Bone Spring formation	
Primary Product (Oil or Gas):	Oil	
Pooling this vertical extent:	From the top of the Bone Spring formation to the base of the Bone Spring formation, including the Avalon	
Pool Name and Pool Code:	Esperanza, Bone Spring; Pool Code: [97755]	
Well Location Setback Rules:	Statewide Rules	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	316.92-acre, more or less	
Building Blocks:	Quarter-quarter sections (40 Acre Blocks)	
Orientation:	East to West	
Description: TRS/County	S/2 N/2 of Section 17 and Section 18, in Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico	
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this	Yes, Standard Spacing Unit	
application? Other Situations		
Depth Severance: Y/N. If yes, description	No, N/A	
Proximity Tracts: If yes, description	No, N/A	
Proximity Defining Well: if yes, description	N/A	
Applicant's Ownership in Each Tract	See Exhibit A-2, breakdown of ownership	
Well(s)	See Exhibit A 2, breakdown of ownership	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed	

R-23989 EXHIBIT A

Well #1	Hollywood Star 17-18 Fee 503H Well (API No. PENDING), SHL: Unit L, 2,383' FSL, 315' FWL, Section 16, T22S-R27E; BHL: Lot 2, 1,980' FNL, 50' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico Completion Target: 2nd Bone Spring formation Well Orientation: East to West / Laydown Completion Location: Standard
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 503H Well FTP: Unit H, 1,980' FNL, 100' FEL, Section 17, T22S-R27E LTP: Lot 2, 1,980' FNL, 100' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 503H Well TVD approx. 7,140', TMD approx. 17,800'; 2nd Bone Spring formation, See Exhibit A, A-1 & B-3
Well #2	Hollywood Star 17-18 Fee 553H Well (API No. PENDING), SHL: Unit L, 2,423' FSL, 315' FWL, Section 16, T22S-R27E; BHL: Lot 2, 1,980' FNL, 50' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico Completion Target: 3rd Bone Spring formation Well Orientation: East-West / Laydown Completion Location: Standard
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 553H Well FTP: Unit H, 1,980' FNL, 100' FEL, Section 17, T22S-R27E LTP: Lot 2, 1,980' FNL, 100' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 553H Well TVD approx. 7,860', TMD approx. 18,550'; 3rd Bone Spring formation, See Exhibit A, A-1 & B-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000, Exhibit A
Production Supervision/Month \$	\$1,000, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C, C-1

R-23989 EXHIBIT A

Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing	Exhibit C-3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	All uncommitted WI owners; ORRI owners; and Record Title owners; including as shown on Exhibit A-2
Unlocatable Parties to be Pooled	Exhibit A, Para. 10, Exhibit C-2 (Returned Letters)
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1, B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-6
Well Orientation (with rationale)	Exhibit B, B-1, B-2
Target Formation	Exhibit B-2, B-2, B-3, B-6, B-7, B-8
HSU Cross Section	Exhibit B-3, B-7, B-8
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit A-1, B-1, B-2, B-3
Structure Contour Map - Subsea Depth	Exhibit B-1, B-2
Cross Section Location Map (including wells)	Exhibit B-3, B-7, B-8
Cross Section (including Landing Zone)	Exhibit B-3, B-6, B-7, B-8
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provide	led in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	/s/ Darin Savage
Date:	30-Jul-25