

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

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

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

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

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

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

EMERGENCY REQUEST FOR EMERGENCY REHEARING AND EMERGENCY STAY

American Energy Resources LLC (“American”), through its representative, submits to the Oil Conservation Commission (“Commission” or “OCC”) this Emergency Request for Emergency Rehearing and Emergency Stay, the (“Request”). Alpha is an opposing party and American assumes they oppose the request. In support of its Request, American states the following:

1. American under statute 19.15.4.25 Rehearing: has rights to file to the Commission a request for rehearing, setting forth the respect in which the party believes the order is erroneous.

2. American under the burden of proof and with respect has presented valid interest ownership with its submittals and under further duress brings forth further evidence that American owns valid interest ownership in its Saik Unit and Leases, and Alpha violated NMAC 19.15.4.12 Notice Requirements that American was due notice and Alpha further was required by New Mexico law to get written approval by American because Alpha proposed wells trespassed and infringed on American Saik Unit and leases, and that Alpha is in violation of NMAC 19.15.5.9 and NMAC 19.15.8.9 and NMAC 19.15.25.8, due to its numerous abandoned wells and not having adequate financial assurances should have never been granted new permits to drill wells with pooling order that could potentially lead to more abandoned wells in the future by Alpha an already confirmed imprudent operator.
3. In American combined motion to dismiss as moot and response to Alpha response to American application for de novo hearing and emergency motion to stay division orders no. R-23961, R-23989, R-23977, dated October 29, 2025, on #54 discusses and references Bill Brancard ruling in case no. 22957 that sets precedence over that matter of the termination of leases, concluded by longest served hearing examiner Bill Brancard.
 - A) Bill Brancard acknowledged Novo landman Brandon Patrick self-affirmed statement admitting to acquiring “existing lease hold interests”, Mr. Samaniego rights to self-manage one’s own mineral estate ownership, by understanding through acknowledgment of Mr. Samaniego right to initiate the termination clause in the lease for non-production because Mr. Samaniego was the Lessor of a lease that was being held by Oxy USA plugged 30-015-23458 Brantley Well.
 (“Exhibit A” Novo landman Brandon Patrick Self Affirmed statement)
 (“Exhibit B” Paul T. Montoya – Oxy USA Inc. - Lease)
 (“Exhibit C” Esther M. Aguilar – Oxy USA Inc. - Lease)
 (“Exhibit D” Joe M. Aguilar – Marke Exploration)
 (“Exhibit E” Manuel M. Aguilar – Marke Exploration)
 (“Exhibit F” Marke Exploration – Clide Oil Corp)
 (“Exhibit G” Marke Exploration – Slaton Resources)
 (“Exhibit H” Slaton Resources – Novo)
 (“Exhibit I” Brantley well plugging)
 - B) Bill Brancard acknowledged Mr. Samaniego letter as “Notice that proceeds Action”, then under the lease terms Oxy had 30 days to correct the violations under the lease terms at which Oxy failed to do so. Therefore, Under the terms of

the lease the lease terminates under its own terms under default upon failing to act within the 30-days, and only after first receiving written notice by the lessor. (“Exhibit J” Termination Letter “Notice That Proceeds Action”)

C) Bill Brancard acknowledged that Mr. Samaniego had the right under the terms of the lease to initiate the termination clause of its own lease held by Oxy plugged 30-015-23458 Brantly well unit, but failed to have standing to terminate everybody/all undivided interests held by 30-015-23458 Oxy plugged Brantley well unit, regardless of the Brantley lease expiring for failure to operate within 60 days, and 30 days after abandonment, the Brantley well was abandoned by P&A submittal on 8/14/2019, therefore the lease expired on 9/14/2019, 30 days after being abandoned as well as being in violation of terms in the lease for non-production for numerous years and was eventually plugged due to the lack of commercial productivity dating back to 2012, and Novo permits and application to compulsory pool being dated 7/5/2022, which is 1 year and 10 months past the expiration date of the leases.

4. Precedence has been set in rulings that should be respected due to its appropriate use of terms in the lease terms and New Mexico laws 70-1-3 through 70-1-5 that “Notice must proceed action”.

Upon the frivolously false claims presented by Alpha, Alpha is not a mineral estate owner, Alpha does not have rights to initiate termination clauses of any lease, under New Mexico State laws Alpha numerous violations disqualify Alpha from proceeding any further with its proposed plans under Order No. R-23961, R-23977, R-23989 with respect to the Orders, the Oil and Gas Act, NMAC, NMAS, New Mexico laws under charged duties to protect the public health and environment, and Federal law under Due Process.

Even if Alpha were able to present:

- 1) an actual ownership of a mineral estate, and
- 2) a “Notice That Proceeds Action”

Alpha would then only be able to initiate the termination clause to that sole single mineral estate it owns and would have no effect whatsoever to the remaining leases that American holds in its Saik Unit and leases.

Since it is very unlikely Alpha would be able to present such evidence, it is clear American Saik Unit, leases, and interests were violated and fraudulently infringed and trespassed on by the imprudent operator Alpha.

5. Bill Brancard rulings in Case no. 22957 Novo case that set a precedence of judicial standards and code of ethics that has been acknowledged at hearing that only the mineral estate owner of the specific mineral estate can initiate a termination clause of the specific lease by written notice and a 30-day period to allow to correct the correction, as the American termination letter was acknowledged.

Alpha has presented no evidence of an actual mineral estate ownership to be a valid lessor of American Saik Unit leases and further Alpha has presented no evidence of a "Notice That Proceeds Action" to validly terminate all of American Saik Unit leases simultaneously, and due to the false representation without evidence presented by Alpha it is more than appropriate that Alpha's claims be mooted and dismissed, for not having presented evidence with standing and merit for such extreme claims and actions to validate an ethical termination of an entire Unit of leases simultaneously without having the burden of proof of presenting valid claim to a mineral estate ownership as Lessor, which Alpha has failed to do.

6. Precedence has been set in Bill Brancard rulings in Case no. 22957 that regardless of leases being in violation for non-production or plugged does not grant an automatic termination of any/all of the leases, and even more so, especially if the termination is erroneous and frivolously being attempted by a speculative party such as Alpha who does not own a claim to any mineral estate ownership and further failed to be the lessor of any particular lease to initiate any termination clause of any specific mineral estate ownership held by American Saik Unit and leases.
7. Precedence has been set in Case no. 22957, as well as New Mexico law, as well as lease terms, that it is the responsibility of the mineral owner to self-manage one's own mineral estate. Alpha, being a bad actor and speculative party, found it upon themselves to falsely portray themselves as lessors of mineral estate owners they know they do not own to attempt to prematurely and frivolously initiate termination clauses of all of American Saik Unit leases simultaneously without Legal Authority to do so, and is Fraudulent.

8. "Notice That Proceeds action", is an important process as required under Federal law Due Process rights, as well as lease terms, as well as required by New Mexico laws 70-1-3 through 70-1-5, and 5th, 6th, and 14th Constitutional rights, and NMAC 19.15.4.12 Notice Requirements.

Alpha Counsel, through the Division and Commission simultaneously took advantage of the complexity of the matter and a pro se party, instead of respecting charged obligated duties, Federal law due process rights, judicial standards and code of ethics, constitutional rights, lease terms, New Mexico laws, better judgment of competent rulings, and then willfully failed to act with charged obligated duties to protect the public health, environment, and protect correlative rights, when New Mexico laws were being contorted by Alpha that willfully allowed for its numerous violation to continue for years.

9. Under the circumstances and further evidence presented by American of a better judgment of ruling in Novo Case no. 22957 as a reference of law regarding the failure of Mineral owners to manage mineral estates regardless of non-production violations, and in the Alpha case would only allow for the termination clause to be initiated by the mineral estate owner as the valid lessor in which it owns the specific mineral estate, and could only proceed with the termination clause process of the lease to that sole single mineral estate, because under the standards of law and code of ethics would be as far as a single person as lessor rights would extend too, as to only one's sole single owned property right.
10. The OCD and OCC must respect the Competent and Better Judgment of retired hearing examiner Bill Brancard with over 32 years served with the State EMNRD, who acknowledged Federal laws and New Mexico State laws of "Notice That Proceeds Action" for a proper process of the mineral estate owner as Lessor to initiate termination clause of the lease.
11. 19.15.16.15 (b) Subsequent wells in existing spacing units. Subject to the terms of any applicable operating agreement, or to 19.15.13 NMAC or any applicable compulsory pooling order as to any compulsory pooled interests:
 - (i) a horizontal well that will have a completed interval partially in an existing well's spacing unit, and in the same pool or formation, may be drilled **only with the approval of**, or, in the absence of approval, after notice to, all operators and

working interest owners of record or known to the applicant in the existing and new well's spacing units;

- (ii) any subsequent well, horizontal or otherwise, with a completed interval located wholly within an existing well's horizontal spacing unit, and in the same pool or formation, if not designated as an infill horizontal well, may be drilled **only with the approval of**, or, in the absence of approval, after notice to, all operators and working interest owners of record or known to the applicant in the existing and new well's spacing units.

Alpha willfully failed to give notice to American and willfully failed to get a written approval by American and willfully fraudulently trespassed and infringed on American Saik Unit and leases.

In Alpha's submittal dated on December 16, 2025, the reply to American Energy Resources, LLC's response to Alpha's motion requesting the commission to determine that AER's representation of purported shut-in payments were knowingly made in bad faith, is very clear on #11 of Alpha acknowledging American ownership in the Saik Unit through its statement that ("if American can overcome regulatory deficiencies and demonstrate to the OCD/OCC that the Saik well should be developed, "IT MAY DO SO" pursuant to the Divisions approval and rules").

Judicial efficiency mandates a prompt resolution of the matter.

United States v. All Assets Held in Account Number (with respect to title of certain properties where prompt judicial efficiency could dispel any shadow over its title).

The Saik well must be developed under rulings that Allowable not to exceed market demand. With the Oil and Gas market demand down and a glut in the supply at the present date, the production from the HSU pool wells would add to the problem by greatly exceeding the market demand, which would result in waste. Making American Saik Unit and well the most economical and efficient way to protect correlative rights and to not create waste of irreplaceable resources.

Continental Oil Co. v. Oil Conservation Commission, 1962-NMSC-062, 70 N.M. 310, 373 P.2d 809.

American through presented evidence of Alpha acknowledging American ownership in its submittal as a response, and because such matter involves correlative rights it is more than appropriate due to evidence presented to grant American Emergency Stay, because the Division and Commission are charged with obligated duties to protect correlative rights.

The only prompt resolution is an Emergency Stay over the matter that will allow the protection of the public health and the environment as well as all correlative rights involved that may be affected, while such matter can be heard in a Court of proper jurisdiction and competence.

The Division and Commission to not grant American Emergency Stay regarding the erroneous, arbitrary, and capricious rulings in Order no. R-23961, R-23977, R-23989 as the burden of proof that unveils that the rulings were in fact not protecting all correlative rights, and seems to have created an in housed selection scheme, regardless of violating charged obligated duties, New Mexico laws, Federal laws, lease terms, and all simultaneously being violated by the Division, the Commission, and the applicant Alpha.

12. 19.15.5.8 ENFORCEMENT OF STATUTES AND RULES: The division is charged 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, and the protection of public health and the environment.

Due to Alpha numerous violations and the Division and Commissions lack of respect to their own charged obligated duties to prevent such violations from continuing, puts the Division and the Commission in gross willful negligent violation of their own charged obligated duties as well as New Mexico State laws to protect the public health and environment.

It's deeply concerning that the Division and Commission, simultaneously, continue to desire more power for the sake of regulating rules in upcoming rule change hearings, to be determined, but in their present current actions, they together willfully choose who and who not to enforce the current regulatory rules on. Together, the Division and Commission willfully violating their own charged obligated duties under New Mexico laws, Federal laws, as well as "Sherman Antitrust Acts" laws that promote "Economic Fairness and Competition".

13. 19.15.5.9 Enforcement: Alpha having numerous violations and abandoned wells that require sanctions, stays on wells, termination of authorization to transport oil and gas, civil penalties with interest, suspension, cancellation, termination of all Permits and Orders, and any other remedy authorized by law.

Under New Mexico law and Division and Commission charged obligated duties, Alpha Order no. R-23961 on #28, R-23977 on #21, R-23989 on #24 should be Automatically Terminated by Alpha own failed efforts to the terms of the orders by not giving notice to all parties such as American and for having numerous violations related to not having adequate financial assurances with abandoned wells, and having rejected C-145 for 2 years without correcting the corrections as required by New Mexico laws and charged obligated duties of the Division and Commission.

("Exhibit K" R-23961 Order #28)

("Exhibit L" R-23977 Order #21)

("Exhibit M" R-23989 Order #24)

14. Legislation set the Oil and Gas Act, NMAC, NMSA, statutes and rules for everybody to follow and were never intended to be contorted by anyone or anybody into a selection process scheme to benefit one party over another party.

Which evidently the Division and Commission has done in all the Alpha cases by favoring an imprudent operator such as Alpha that is currently violating New Mexico laws and the Division and Commission own failure at its enforcement of laws and charged obligated duties toward all of Alpha numerous violations and erroneous applications directly related to the proposed (HSU) wells.

15. Alpha is willfully in violation of NMAC 19.15.5.9 and NMAC 19.15.8.9 and NMAC 19.15.25.8 New Mexico laws.

The Divisions rejection of Alpha C-145 is evidence of acknowledgment by the Division who chose to do nothing about enforcing regulatory rules as their charged obligated duties require to do and rather the Division and Commission chose to allow an imprudent operator such as Alpha to continue violating violations within city limits, with in a Community, within a Municipality, with in a main agricultural irrigation canal, with in two major hwys 62/180 and 285 that Y together, and within a major disaster site cavity prone to collapse.

16. Alpha's C-145's on its abandoned wells the Colonia A Com #001, Kodiak #002, and Tracy B Com #001 were REJECTED on 3/26/2024 by State staff Amalia Bustamante for not meeting adequate financial assurances. These unproductive wells, now turned abandoned wells by the Division staff erroneous decisions, should have never transferred without meeting the New Mexico state law requirements under adequate financial assurances.

("Exhibit N" Colonia A Com #001 C-145 Rejection)

("Exhibit O" Kodiak #001 C-145 Rejection)

("Exhibit P" Tracy B Com #001 C-145 Rejection)

Due to Alpha's C-145 being rejected and continuous violations for 2 years regarding not having adequate financial assurances disqualifies Alpha from developing, drilling, operating, permitting, submitting, or compulsory pooling, or any other plans.

To present date Alpha still does not meet adequate financial assurances and are 2-years continually violating New Mexico State laws that require operators to obtain adequate financial assurances and evidently failed to do so.

Which is deeply concerning as to why Alpha was given such an abundance of time afforded to them by the Division and Commission, and still failed obligated duties, and are not being held responsible for its numerous violations and abandoned wells. Which the Division and Commission blatantly did not give to so many numerous other operators who failed to meet adequate financial assurances and were not given such abundance of time to correct the correction, and met their demise under New Mexico State laws not being contorted for them, as Alpha was allowed favorably circumstances as an advantage by the Division and Commission.

16. 19.15.14.10 The director: deny permits to drill:

If the applicant Alpha is not in compliance with NMAC 19.15.5.9 and NMAC 19.15.8.9 and NMAC 19.15.25.8. In determining whether to grant or deny the permit, the director or the director's designee shall consider such factors as whether Alpha non-compliance with 19.15.5.9 is caused by the operator not meeting the financial assurances requirements of 19.15.8, being subject to a division or commission order finding the operator to be in violation of an order requiring corrective action.

The Divisions rejecting Alpha's C-145 is clearly evident, and the Commission cannot turn a blind eye to its charged obligated duties, to acknowledge and enforce that Alpha is in violation of its C-145 signed order and failed for 2 years to correct the action, and currently Alpha is still violating New Mexico laws with assistance that is considered abuse of process from the Division and Commission.

17. The Division and Commission completely disregarded protecting the public health from harm and the Environment, as well as putting an entire Community and Municipality at risk of a severe disaster, an entire agricultural area, as well as jeopardizing our ageing and volatile infrastructure for an entire industrial region. It is blatantly evident that the Division and Commission simultaneously violated numerous New Mexico laws and statutes that charged the Division and Commission with the obligated duty to protect public health and the environment. Alpha planned development plans and abandoned wells sit inside the city limits of Carlsbad and in heavily congested and populated areas, and neighbors Walmart shopping center, as well as many restaurants, gas stations, stores, and businesses.

The state of New Mexico spent **\$100 MILLION DOLLAR** cleaning up the Carlsbad brine well environmental and public cavity disaster in Carlsbad, NM. That evidently sits in the middle of the same exact proposed pool unit of Alpha (HSU) wells.

It is insult to injury for the Division and Commission to allow an imprudent operator such as Alpha to drill new wells while having abandoned wells without adequate financial assurances in such a heavily congested and populated areas, Community, Municipality, next to Walmart shopping center and other businesses, next to a main agriculture irrigation canal, and surrounding a high risk area for public safety for the fact that the brine well cavity effecting Carlsbad is effecting the public health and the environment as a devastating cavity disaster site that is currently being monitored 24/7 for seismic activity, earthquakes, the alarming fact this heavily populated area is high risk of collapse.

Alpha's four abandoned wells, the Colonia A Com #001, Kodiak #002, Merland A Com #001, Tracy B Com #001, all encompass and surround the Carlsbad brine well cavity public health and the environmental devastating disaster, that evidently was permitted by the State of New Mexico and plugged with funds by Taxpayers.

There is a severe risk at the highest level as well as a severe high future risk of cavity disaster by willful acts through the contortion of New Mexico laws and statutes by

the Division and Commission to be irresponsible in their charged duties for the sake of development is a mis use of New Mexico laws for the fact that the public health and environment are the charged obligated duty of the Division and Commission.

("Exhibit Q" Alpha's abandoned wells in proximity Sink Hole Collapse Disaster)

Severe Violations of this nature must be brought forth to the Attorney General to seek out **ANY** such violators from continuing such violations of such magnitude that willfully cause such extreme great harm to the public and environment, as well as great harm to an entire Community, Municipality, and Industry, a main Agriculture Irrigation Canal, As well as severe effects to mass transport that rely on that specific Hwy crossing of Hwy 62/180 and Hwy 285 to ship goods across the region, as well as supplies and goods to neighboring small towns populations and businesses.

It is blatantly evident the Division and Commission found it upon themselves to act inappropriately to erroneously, arbitrarily, and capriciously stonewall a prudent operator such as American right to operate and protect its correlative rights, by allowing an imprudent operate such as Alpha to severely violate numerous New Mexico State laws, Federal laws, and contortion of laws that manipulated the Division and Commission to severely violate its own charged obligated to duties to protect the public and environment, as well as continually violating American right to due process under the 5th, 6th, and 14th amendments of Federal law.

Such actions in such manner is blatantly evident the Division and Commission have NO respect for the public health and the environment, New Mexico State laws, Charged Obligated Duties, Federal law under due process, or the **\$100 MILLION DOLLARS** of Taxpayers Money called Funds that went to plugging the cavity sink hole disaster that sits in the same exact area of Alpha proposed HSU wells.

18. 70-2-8 If any person violates, threatens to violate, any statute with respect to the conservation of oil and gas, or both, or any provision, 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 person from continuing such violation or from carrying out the threat of violation.

It is the charged obligated duty of the Division and Commission to bring forth such violations to the Attorney General in Cases no 25166, 25495, 25496 and Order No. R-23977, R-23961, R-23989 for suit against all persons from continuing numerous

violations that clearly effect the public health and the environment, and the State of New Mexico is due 2 years of penalties from Alpha for its continues violations of its abandoned wells without adequate financial assurances.

19. Any attempt to use the Division or Commission to do unjust acts would be violation of Federal law and a violation of due process rights under the 5th amendment. 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).

The Division and Commission through erroneous, arbitrary, and capricious acts against American, without evidence presented by the claiming party Alpha is a clear violation of Due Process rights under Federal law. In the manner the Division and Commission disregarded American rights to due process is unconstitutional and subject to the taking clause.

20. The basis of the Commission powers, that the commission is a creature of statute, expressly defined, limited and empowered by laws creating it with the basis of its powers is founded on the duty to prevent waste and protect correlative rights. Sims v. Mecham 1963 NMSC.

The Division and Commission, simultaneously, willfully acted bias in its rulings and willfully failed at its own charged obligated duties to protect public health and environment, prevent waste, and protect correlative rights.

21. Judicial powers, the Commission must act in a judicial capacity when it attempts to approve proposed unitization plans, its decision must therefore be entitled to preclusive effect. Amoco Prod Co v. Heimann 1990.

It is blatantly evident that the Division and Commission rulings in these cases is not entitled due to the numerous violations of New Mexico laws, Federal laws, and it own charged obligated duties.

It is of the highest scale of willful injustice to abuse compulsory pooling hearings to attempt to terminate leases of a prudent operator such as American, and is evidently outside the of the Division and Commissions jurisdiction to terminate leases to benefit the development plan of a party Alpha over another party

American, while Alpha is violating numerous New Mexico State laws while causing great harm to the public and environment, impacts on one of New Mexico biggest disaster cavity sites, that in its wake has unveiled the true nature of the creature with an tendency to bite at its selective choosing rather than charged obligated duties.

22. Restrictions of Commissions powers, that the power and authority of the Commission is general in nature, but Commission is restricted to the end that it cannot act arbitrarily, unlawfully, or capricious in carrying out administrative functions imposed upon it.

1959 Op. Att'y Gen. No. 59-186.

It is blatantly evident that the Division and Commission acted erroneous in its rulings because its actions were erroneous arbitrarily, unlawfully, and capricious in carrying out administrative functions imposed on it by Alpha.

23. The Applicant Alpha did not satisfy the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC, and the OCD did not satisfy the notice requirements for the hearing as required by 19.15.4.9 NMAC.

American Saik Unit leases are valid by the standards of law and code of ethics and must be acknowledged as such and as such American was due notice under New Mexico laws and the Oil and Gas Act.

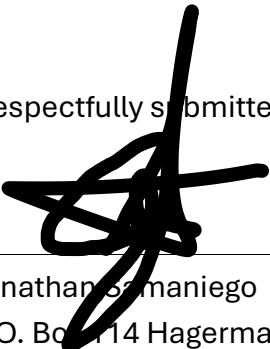
24. The Division and Commission ruling is erroneous, arbitrary, capricious and blatantly violates notice requirements, charged obligated duties, New Mexico laws, Federal laws under Due process rights, and therefore, the ruling is NOT ENTITLED.

CONSLUSION

For Reasons and further evidence provided herein, American respectfully requests that the Commission show integrity in their determination against a prudent operators such as American with adequate financial assurances to operate, who has invested immense amounts of time, energy, and resources to responsibly develop and produce state's natural resources deserve to have its rights protected by the Division and Commission.

Thus, American respectfully requests the Commission under charged obligated duties of New Mexico State laws to protect the public and environment as well as Federal laws under due process rights to act appropriately with integrity and in no way should willfully act erroneous, arbitrary, capricious through a contortion of laws that benefits one party over another without evidence presented, which Alpha has continued to do through false representation rather than with evidence, leading to a erroneous, arbitrary, and capricious, bias ruling, and therefore the Divisions and Commissions rulings are not entitled and further reason for Automatic Termination under the terms of the orders R-23961, R-23977, R-23989, and furthermore, for the granting of American Emergency Request for Emergency Rehearing and Emergency Stay.

Respectfully submitted,



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Representative for American Energy Resources LLC

CERTIFICATE OF SERVICE I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico New Mexico Oil Conservation Commission and was served on counsel of record via electronic mail on January 28, 2025:

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("EXHIBIT E")

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS; YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

MINERAL AND ROYALTY DEED

STATE OF NEW MEXICO §

COUNTY OF EDDY §

KNOW ALL MEN BY THESE PRESENTS:

That **Manuel M. Aguilar**, whose address is 509 S. Elm St., Carlsbad, New Mexico 88220, hereinafter called "GRANTOR", for good and valuable considerations, the receipt of which are hereby acknowledged, does hereby grant, bargain, sell, convey, transfer, assign, and deliver unto **Marke Exploration, Inc.**, whose address is P.O. Box 470748, Fort Worth, TX 76147, hereinafter called "GRANTEE", ALL (100%) of Grantor's right, title and interest in and to all of the oil, gas and other minerals, including without limitation, all of the royalty, overriding royalty, gas royalty, royalty in casinghead gas, gasoline and royalty in all other minerals in, on and under and that may be produced from the following described lands in Eddy County, New Mexico, to-wit:

West Half (W/2) of Section 7, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico

Notwithstanding anything to the contrary contained herein, the lands individually described above are set out for convenience of the parties and shall not be interpreted as limiting this grant, it being the intent of the parties that this deed cover all oil, gas, and other minerals of every kind and description owned by Grantor located in Eddy County, New Mexico, whether or not particularly described above.

Together with the rights of ingress and egress at all times for the purpose of mining, drilling, exploring, operating, and developing said lands for oil, gas and other minerals, and storing, handling, transporting and marketing the same therefrom with the right to remove from said land all of Grantee's property and improvements.

This conveyance is made subject to the terms of any valid and subsisting oil, gas and other mineral lease or leases on said land; and Grantor has granted, transferred, assigned and conveyed, and by these presents does grant, transfer, assign and convey unto the Grantee, their heirs, successors and assigns, the above stated interest of Grantor's interest in and to the rights, rentals, royalties and other benefits accruing or to accrue under said lease or leases from the above described land.

Grantor agrees to execute such further instruments as may be reasonably requested or required to allow Grantee full use and enjoyment of the interest conveyed by this Deed and likewise agrees that Grantee herein shall have the right at any time to redeem for said Grantor by payment any mortgage, taxes, or liens on the above described land upon default in payment by Grantor, and be subrogated to the rights of the holder thereof.

Notwithstanding, it is the specific intent of this instrument to convey to Grantee the right to receive all bonuses, rents, royalties, production payments, or monies of any nature, including those in suspense, associated with the undivided interest herein conveyed.

Reception: 2011858 Book: 1141 Page: 0152 Pages: 2
Recorded: 10/09/2020 11:58 AM Fee: \$25.00
Eddy County, New Mexico ~ Robin Van Natta, County Clerk



KEVIN JONES
SAME DAY PICK UP

Released to Imaging: 1/29/2026 9:53:01 AM

TO HAVE AND TO HOLD the above described property, premises and interest, together with all and singular the rights, members, and appurtenances thereto in anywise appertaining thereto, unto the Grantee, its successors or assigns forever; and does bind himself and his successors, to WARRANT AND FOREVER DEFEND all and singular the above described property, premises and interest unto the said Grantee, its heirs and assigns, against every person whomsoever lawfully claiming or to claim the same of any part thereof.

WITNESS MY HAND this 6th day of October, 2020.

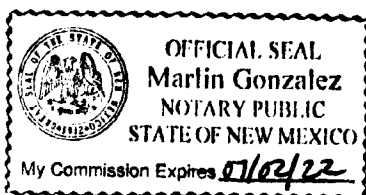
GRANTOR:

Manuel M. Aguilar
Manuel M. Aguilar

STATE OF ~~TEXAS~~ New Mexico §

COUNTY OF Eddy §

This instrument was acknowledged before me this 6th day of October, 2020, by Manuel M. Aguilar.



Marlin Gonzalez
Notary Public
Printed Name: Marlin Gonzalez

("EXHIBIT D")

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS; YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

MINERAL AND ROYALTY DEED

STATE OF NEW MEXICO §

COUNTY OF EDDY §

KNOW ALL MEN BY THESE PRESENTS:

That **Joe M. Aguilar**, whose address is 509 Leavel Dr., Carlsbad, New Mexico 88220, hereinafter called "GRANTOR", for good and valuable considerations, the receipt of which are hereby acknowledged, does hereby grant, bargain, sell, convey, transfer, assign, and deliver unto **Marke Exploration, Inc.**, whose address is P.O. Box 470748, Fort Worth, TX 76147, hereinafter called "GRANTEE", ALL (100%) of Grantor's right, title and interest in and to all of the oil, gas and other minerals, including without limitation, all of the royalty, overriding royalty, gas royalty, royalty in casinghead gas, gasoline and royalty in all other minerals in, on and under and that may be produced from the following described lands in Eddy County, New Mexico, to-wit:

West Half (W/2) of Section 7, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico

Notwithstanding anything to the contrary contained herein, the lands individually described above are set out for convenience of the parties and shall not be interpreted as limiting this grant, it being the intent of the parties that this deed cover all oil, gas, and other minerals of every kind and description owned by Grantor located in Eddy County, New Mexico, whether or not particularly described above.

Together with the rights of ingress and egress at all times for the purpose of mining, drilling, exploring, operating, and developing said lands for oil, gas and other minerals, and storing, handling, transporting and marketing the same therefrom with the right to remove from said land all of Grantee's property and improvements.

This conveyance is made subject to the terms of any valid and subsisting oil, gas and other mineral lease or leases on said land; and Grantor has granted, transferred, assigned and conveyed, and by these presents does grant, transfer, assign and convey unto the Grantee, their heirs, successors and assigns, the above stated interest of Grantor's interest in and to the rights, rentals, royalties and other benefits accruing or to accrue under said lease or leases from the above described land.

Grantor agrees to execute such further instruments as may be reasonably requested or required to allow Grantee full use and enjoyment of the interest conveyed by this Deed and likewise agrees that Grantee herein shall have the right at any time to redeem for said Grantor by payment any mortgage, taxes, or liens on the above described land upon default in payment by Grantor, and be subrogated to the rights of the holder thereof.

Notwithstanding, it is the specific intent of this instrument to convey to Grantee the right to receive all bonuses, rents, royalties, production payments, or monies of any nature, including those in suspense, associated with the undivided interest herein conveyed.

KEVIN JONES
WILL PICK UP

Reception: 2011759 Book: 1141 Page: 0056 Pages: 2
Recorded: 10/07/2020 02:16 PM Fee: \$25.00
Eddy County, New Mexico ~ Robin Van Natta, County Clerk



MS

TO HAVE AND TO HOLD the above described property, premises and interest, together with all and singular the rights, members, and appurtenances thereto in anywise appertaining thereto, unto the Grantee, its successors or assigns forever; and does bind himself and his successors, to WARRANT AND FOREVER DEFEND all and singular the above described property, premises and interest unto the said Grantee, its heirs and assigns, against every person whomsoever lawfully claiming or to claim the same of any part thereof.

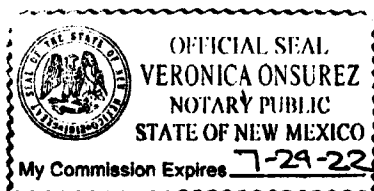
WITNESS MY HAND this 6 day of Oct., 2020.

GRANTOR:

Joe M. Aguilar
Joe M. Aguilar

STATE OF ^{VCO} ~~TEXAS~~ New Mexico §
COUNTY OF Eddy §

This instrument was acknowledged before me this 6th day of October, 2020, by Joe M. Aguilar.



Veronica Onsurez
Notary Public
Printed Name: Veronica Onsurez

("EXHIBIT F")

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS; YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

MINERAL AND ROYALTY DEED

STATE OF NEW MEXICO §
 §
COUNTY OF EDDY §

KNOW ALL MEN BY THESE PRESENTS:

That **MARKE EXPLORATION, INC.**, as Grantor, whose address is P.O. Box 470748, Fort Worth, TX 76147, for good and valuable considerations, receipt of which is hereby acknowledged, does hereby grant, bargain, sell, convey, transfer, assign, and deliver unto **CLIDE OIL CORPORATION**, as Grantee, whose address 1714 Shelborn Drive, Allen, Texas 75002, Ninety-five Percent (95%) of Grantor's right, title and interest in and to all of the oil, gas and other minerals, including without limitation, all of the royalty, overriding royalty, gas royalty, royalty in casinghead gas, gasoline and royalty in all other minerals in, on and under and that may be produced from the following described lands in Eddy County, New Mexico, to-wit:

167.29 acres, more or less, being that part of the South half (S ½) of Section 7, Township 23 South, Range 28 East, N.M.P.M. lying West and South of the right-of-way of the A.T.&S.F. Railroad;

Together with the rights of ingress and egress at all times for the purpose of mining, drilling, exploring, operating, and developing said lands for oil, gas and other minerals, and storing, handling, transporting and marketing the same therefrom with the right to remove from said land all of Grantee's property and improvements.

This conveyance is made subject to the terms of any valid and subsisting oil, gas and other mineral lease or leases on said land; and Grantor has granted, transferred, assigned and conveyed, and by these presents does grant, transfer, assign and convey unto the Grantee, their heirs, successors and assigns, the above stated interest of Grantor's interest in and to the rights, rentals, royalties and other benefits accruing or to accrue under said lease or leases from the above described land.

Grantor agrees to execute such further instruments as may be reasonably requested or required to allow Grantee full use and enjoyment of the interest conveyed by this Deed and likewise agrees that Grantee herein shall have the right at any time to redeem for said Grantor by payment any mortgage, taxes, or liens on the above described land upon default in payment by Grantor, and be subrogated to the rights of the holder thereof.

Notwithstanding anything to the contrary, it is the specific intent of this instrument to convey to Grantee the right to receive all bonuses, rents, royalties, production payments, or monies of any nature, including those in suspense, associated with the undivided interest herein conveyed.

Reception: 2013800 Book: 1142 Page: 0812 Pages: 2

Recorded: 11/25/2020 09:37 AM Fee: \$25.00

Eddy County, New Mexico ~ Robin Van Natta, County Clerk



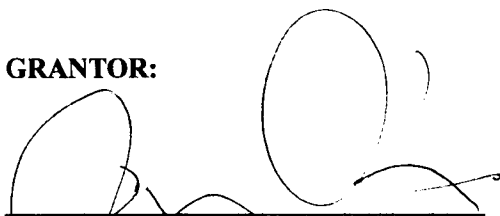
BC

Marke Exploration
PO Box 470748
Fort Worth TX 76147

TO HAVE AND TO HOLD the above described property, premises and interest, together with all and singular the rights, members, and appurtenances thereto in anywise appertaining thereto, unto the Grantee, its successors or assigns forever; and does bind itself and its successors, to WARRANT AND FOREVER DEFEND all and singular the above described property, premises and interest unto the said Grantee, its heirs and assigns, against every person whomsoever lawfully claiming or to claim the same of any part thereof.

Executed this 18 day of November, 2020.

GRANTOR:

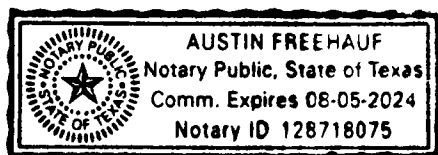



Marke Exploration, Inc.

By: Jonathan Pettit, President

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me this 18th day of November, 2020, by Jonathan Pettit, President of Marke Exploration, Inc.




Notary Public, State of Texas

Printed Name: Austin Freehauf

After recording, please forward this original recorded document to:

Marke Exploration, Inc.

P.O. Box 470748

Fort Worth, Texas 76147

("EXHIBIT G")

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS; YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

CONVEYANCE & ASSIGNMENT

STATE OF NEW MEXICO §
 §
COUNTY OF EDDY §

KNOW ALL MEN BY THESE PRESENTS:

That **MARKE EXPLORATION, INC.**, as Grantor, whose address is P.O. Box 470748, Fort Worth, TX 76147, for good and valuable considerations, receipt of which is hereby acknowledged, does hereby grant, bargain, sell, convey, transfer, assign, and deliver unto **SLATON RESOURCES II, LLC**, as Grantee, whose address P.O. Box 77260, Fort Worth, Texas 76177, an undivided one-half (1/2) of Grantor's right, title and interest in and to the surface estates (if any), and an undivided one-half (1/2) of Grantor's right title and interest in and to all of the oil, gas and other minerals, including without limitation, all of the royalty, overriding royalty, gas royalty, royalty in casinghead gas, gasoline and royalty in all other minerals in, on and under and that may be produced from the following described lands in Eddy County, New Mexico, to-wit (hereafter "the Lands):

TRACT 1: 5.00 acres, more or less, being the West Half (W/2) of the Southwest Quarter (SW/4) of the Northwest Quarter (NW/4) of the Northeast Quarter (NE/4) of Section Eighteen (18), Township Twenty-three (23) South, Range Twenty-eight (28) East, N.M.P.M., and;

TRACT 2: Lot 18, Block 1 of the Malaga (Second Amended) Addition, being a lot of 25' X 135' (.07747934 net acres), commonly identified as Parcel Number 4-166-140-420-516 by the Eddy County Tax Assessor; and;

TRACT 3: All of that certain portion of the South Half (S2) and the Northwest Quarter (NW/4) of Section 7, Township 23 South, Range 28 East, N.M.P.M. lying West and South of the right-of-way of the A.T.&S.F. Railroad;

Together with the rights of ingress and egress at all times for the purpose of mining, drilling, exploring, operating, and developing said lands for oil, gas and other minerals, and storing, handling, transporting and marketing the same therefrom with the right to remove from said land all of Grantee's property and improvements.

This conveyance is made subject to any valid and subsisting oil and gas lease or leases of record on said Lands, it being understood and agreed that Grantee shall be entitled to all revenues and payments, including but not limited to all bonus payments, delay rentals, production royalties, shut-in royalties and all other benefits or causes of action having accrued or to accrue under the terms of said lease or leases.

Grantor agrees to execute such further instruments as may be reasonably requested or required to allow Grantee full use and enjoyment of the interest conveyed by this Deed and likewise agrees that Grantee herein shall have the right at any time to redeem for said Grantor by payment any mortgage, taxes, or liens on the above described land upon default in payment by Grantor, and be subrogated to the rights of the holder thereof.

Reception: 2109771 Book: 1151 Page: 0560 Pages: 2
Recorded: 08/12/2021 10:10 AM Fee: \$25.00
Eddy County, New Mexico - Darlene Rosprim, County Clerk



RN

MARKE EXPLORATION PARTNERS
PO BOX 470623
FORT WORTH TX 76147

Notwithstanding anything to the contrary, it is the specific intent of this instrument to convey and assign to Grantee an undivided one-half (1/2) interest in and to all right, title or interest of any kind or character which was obtained by Grantor in the following conveyances of record:

1. That certain Warranty Deed dated September 21, 2020 from Harriet J. Karasek, as Grantor, filed of record in Volume 1141, Page 50 of the Eddy County Public Records;
2. That certain Mineral & Royalty Deed dated October 6, 2020 from Joe M. Aguilar, as Grantor, filed of record in Volume 1141, Page 56 of the Eddy County Public Records;
3. That certain Mineral & Royalty Deed dated October 6, 2020 from Manuel M. Aguilar, as Grantor, filed of record in Volume 1141, Page 152 of the Eddy County Public Records;

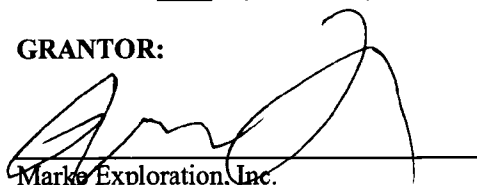
SUBJECT TO THE FOLLOWING PRIOR CONVEYANCES BY GRANTOR:

1. That certain Mineral & Royalty Deed dated November 18, 2020 from Marke Exploration, Inc., as Grantor, to Clide Oil Corporation, as Grantee, filed of record in Volume 1142, Page 812 of the Eddy County Public Records, and;
2. That certain Mineral & Royalty Deed dated November 18, 2020 from Marke Exploration, Inc., as Grantor, to Clide Oil Corporation, as Grantee, filed of record in Volume 1142, Page 813 of the Eddy County Public Records, and;

TO HAVE AND TO HOLD the above described property, premises and interest, together with all and singular the rights, members, and appurtenances thereto in anywise appertaining thereto, unto the Grantee, its successors or assigns forever; and does bind itself and its successors, to WARRANT AND FOREVER DEFEND all and singular the above described property, premises and interest unto the said Grantee, its heirs and assigns, against every person whomsoever lawfully claiming or to claim the same of any part thereof.

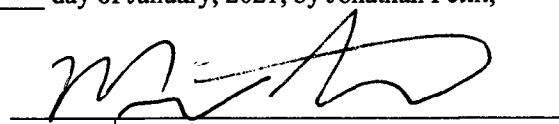
Executed this 6th day of January, 2021.

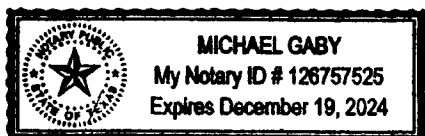
GRANTOR:


Marke Exploration, Inc.
By: Jonathan Pettit, President

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me this 6th day of January, 2021, by Jonathan Pettit, President of Marke Exploration, Inc.


Notary Public, State of Texas
Printed Name: Michael Gaby



After recording, please forward to:
Slaton Resources II, LLC
P.O. Box 77260
Fort Worth, Texas 76177

("EXHIBIT H")

MINERAL DEED

KNOW ALL MEN BY THESE PRESENTS:

THAT **Slaton Resources II, LLC**, whose address is PO Box 77260, Fort Worth, TX 76177, hereinafter called Grantor, for and in consideration of the sum of Ten and more Dollars (\$10.00) cash in hand paid and other good and valuable considerations, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, convey, transfer, assign and deliver unto **Novo Minerals, LP**, of 1001 West Wilshire Blvd., Suite 206, Oklahoma City, OK 73116, hereinafter called Grantee, all of Grantor's right, title and interest in and to all of the oil, gas and other minerals in and under and that may be produced from the following described lands situated in **Eddy County, State of New Mexico**, to-wit:

Township 23 South, Range 28 East, N.M.P.M.

Section 7: All.

containing **640.00 acres**, more or less, together with the right of ingress and egress at all times for the purpose of mining, drilling, exploring, operating and developing said lands for oil, gas and other minerals and storing, handling, transporting and marketing the same therefrom with the right to remove from said land all of Grantee's property and improvements.

This conveyance is made subject to the terms of any valid and subsisting oil, gas and other mineral lease or leases on said land; and Grantor has granted, transferred, assigned and conveyed, and by these presents does grant, transfer, assign and convey unto the Grantee, their heirs, successors and assigns, the above stated interest of Grantor's interest in and to the rights, rentals, royalties and other benefits accruing to such oil, gas and other mineral lease or leases from and after the effective date hereof.

Grantor agrees to execute such further assurances as may be requisite for the full and complete enjoyment of the rights herein granted.

THIS MINERAL DEED IS MADE WITHOUT WARRANTY, EXPRESS OR IMPLIED, AND GRANTOR EXPRESSLY DISCLAIMS, EXCEPTS AND EXCLUDES ANY AND ALL WARRANTIES OF TITLE OR OTHERWISE FROM THIS CONVEYANCE, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES ARISING UNDER COMMON LAW OR STATUTE.

TO HAVE AND TO HOLD said lands, together with all and singular the rights and appurtenances thereto and in anywise belonging unto Grantee, its' heirs, successors and assigns forever; WITHOUT WARRANTY AND SUBJECT IN ALL RESPECTS TO THE DISCLAIMERS SET FORTH ABOVE.

EXECUTED as of the date of the acknowledgement below, but EFFECTIVE for all purposes as of the 8th day of April, 2022.

SLATON RESOURCES II, LLC

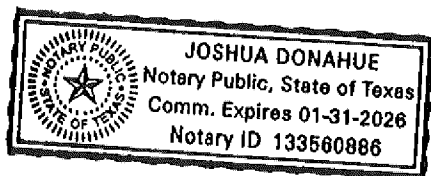

By: Kevin Jones, President

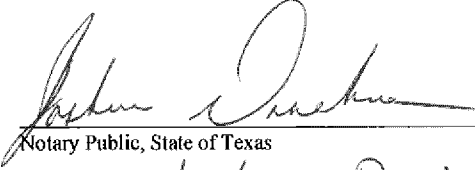


ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF TARRANT §

This instrument was acknowledged before me this 8th day of April, 2022, by Kevin Jones, President of Slaton Resources II, LLC.




Notary Public, State of Texas
Printed Name: Joshua Donahue

("EXHIBIT A")

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

APPLICATION OF NOVO OIL & GAS
NORTHERN DELAWARE, LLC FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

CASE NO. 22957

SELF-AFFIRMED STATEMENT OF BRANDON PATRICK

1. My name is Brandon Patrick, and I am employed by Novo Oil & Gas Northern Delaware, LLC ("Novo") as a Landman. My responsibilities include the Permian Basin in New Mexico.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by Novo in this case, and I am familiar with the status of the lands in the subject area.

4. None of the uncommitted parties has indicated opposition to this pooling application, and therefore I do not expect any opposition at the hearing.

5. Novo is seeking an order pooling all uncommitted interest in the Wolfcamp formation underlying a standard 318.34-acre, more or less, horizontal well spacing unit comprised of the S/2 of Section 7, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

6. Novo proposes to dedicate the above spacing unit to the **Turks Fee 07 211H well** (API No. 30-015-49461), which has been horizontally drilled from a surface location in the

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Novo Oil & Gas, LLC
Hearing Date: August 04, 2022
Case No. 22957

NW/4 NW/4 (Lot 1) of adjacent Section 18 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 7.

7. Novo spud this well on June 30, 2022, and reached total depth on July 16, 2022, but has not yet completed the well. Novo acquired its interests in this area in April 2022 under existing leasehold interests with three-year primary terms, the bulk of which had lease expiration deadlines in July 2022. Novo was therefore required to commence drilling before that deadline to preserve its leasehold interests. Novo owns an interest or had an interest voluntarily committed in each tract penetrated by the horizontal interval of its wellbore.

8. **Novo Exhibit C-1** is a copy of the filed Form C-102 for the well. It reflects that the well is assigned to the Wolfcamp Purple Sage Pool (Pool Code 98220). The completed interval for the proposed well complies with the setbacks for the special pool rules for the Wolfcamp Purple Sage Pool.

9. There are no depth severances in the Wolfcamp formation in this area.

10. **Novo Exhibit C-2** is a locator map that I prepared showing the general location of the proposed spacing unit within Lea County.

11. **Novo Exhibit C-3** identifies the tracts of land comprising the proposed horizontal spacing unit. It includes fee land only. This exhibit shows the interest owners by tract. The next page of the exhibit shows the percentage of ownership interests in the proposed spacing unit, and of the uncommitted owners. Novo is seeking to pool the interest owners identified on this exhibit as the "Uncommitted Parties." As reflected on the exhibit, Novo is seeking to pool unleased mineral interest owners and one working interest owner.

12. Since acquiring its interests, Novo has spent a significant amount of time, effort, and money in its attempt to obtain voluntary joinder from the numerous owners in the Turks Fee

07 unit. To date, Novo has negotiated nearly 40 leases within the acreage. Fewer than 8% of the ownership interests remain uncommitted. Novo is continuing to work to reach agreement with the remaining uncommitted owners.

13. Novo has examined the county records, conducted computer searches and engaged in other good faith efforts to locate all of the mineral owners that it seeks to pool.

14. **Novo Exhibit C-4** is a copy of the well proposal letter Novo sent to the unleased mineral interest owners and working interest owners it seeks to pool. An AFE was included with the well proposal letter. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

15. Novo seeks approval of overhead and administrative costs at \$8,000/month while drilling and \$800/month while producing. These costs are consistent with what Novo and other operators are charging in this area for these types of wells. Novo respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

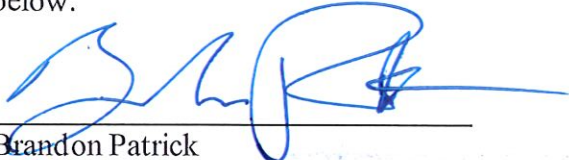
16. Also included in **Novo Exhibit C-3** is a chronology of Novo's contacts with the interest owners it is seeking to pool. In my opinion, Novo has made good faith efforts to reach an agreement with the parties it is seeking to pool. Novo will continue to try to obtain voluntary joinder of the remaining owners even after obtaining a pooling order. If Novo reaches an agreement with any party before the Division enters an order, I will let the Division know that Novo is no longer seeking to pool that party.

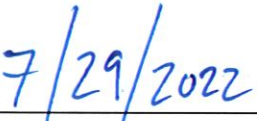
17. I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners shown on Novo Exhibit C-3. In compiling these addresses,

Novo conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches.

18. **Novo Exhibits C-1 through C-4** were either prepared by me or compiled under my direction and supervision.

19. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.


Brandon Patrick


Date

19391413_v2

("EXHIBIT J")

THE SAWYERS LAW GROUP | LLC

Melissa Sawyers

*1327 E. Bender Blvd.
Hobbs, New Mexico 88240
Voice 575.393.1300
Facsimile 575.393.1869
Toll free 866.393.1301
E-mail: MAHlaw@klipsawlaw.com*

July 5, 2022

Occidental Petroleum Corporation

5 Greenwood Plaza, Suite 110

Houston, TX 79046 – 0521

Re: Mineral interest of John Samaniego

Unit J, Section 7, Township 23 S., Range 28 E., Eddy County New Mexico

Dear Sirs:

Please be advised that John Samaniego who owns approximately 2.2 acres of mineral interest in oil and gas production previously leased to Cities Service Company and held by production by operation of the Brantley "A" Com #1 well located as described above is formally terminating the leased interest of lessee including all successors in interest, including Occidental Petroleum Corporation, as a result of nonproduction of the interest claimed.

Any funds held in suspense from previous operations of this well owed to the interest claimed by Mr. Samaniego should be forwarded to this firm.

Thank you for your help.

Very truly yours,

James W Klipstine Jr

cc: Novo Oil & Gas Northern Delaware LLC

1001 W. Wilshire Blvd., Suite #206

Oklahoma City 73116

("EXHIBIT C")

BOOK 277 PAGE 265

Producer's 88—(Producer's Revised 1965) (New Mexico) Form 342

Printed and for sale by Hall-Poorbaugh Press, Roswell, N. M.

OIL & GAS LEASE

THIS AGREEMENT made this 11th day of February 19 97, between
Esther M. Aguilar, a married woman dealing
in her separate property
509 S. Elm of Carlsbad, New Mexico 88220
 (Post Office Address)

herein called lessor (whether one or more) and OXY USA INC., P. O. BOX 50250, MIDLAND, TEXAS 79710, lessee:

1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals, the

following described land in EDDY County, New Mexico, to-wit:

Township-23-South, Range-28-E, NMPM.
Section 7: Being all of the SW/4 of the NW/4
lying South & West of the AT SF RR r-o-w,
containing 18 acres

* This is a paid-up Lease and Paragraph 4 below is left herein for the sole purpose of shut-in Gas Royalty Payments.

For the purpose of calculating the rental payments hereinafter provided for, said land is estimated to comprise 18 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of 18 months from this date (called "primary term"), and as long thereafter as oil or gas, is produced from said land or land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, 3/16 of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipe line to which the wells may be connected; (b) on gas, including casinghead gas and all gas-condensate substances produced or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 3/16 of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 3/16 of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but gas and/or condensate is not being sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance annual shut-in royalty equal to the amount of royalty rental provided for in this lease for the acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered this lease shall not terminate and it will be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing, or be paid or tendered to the credit of such party or parties in the depository bank and in the manner hereinafter provided for the payment of rentals.

4. If operations for drilling are not commenced on said land or on land pooled therewith on or before one (1) year from this date, this lease shall terminate

as to both parties, unless on or before one (1) year from this date lessee shall pay or tender to the lessor a rental of \$ 1.00 per acre which shall cover the privilege of deferring commencement of such operations for a period of twelve (12) months. In like manner and upon like payments or tenders, annually, the commencement of said operations may be further deferred for successive periods of twelve (12) months each during the primary term. Payment

or tender may be made to the lessor or to the credit of the lessor in the pay to Lessor at the above address Bank

5. If the bank, or any successor thereof, shall continue to be the agent for the lessor and lessor's heirs and assigns. If such bank (or any successor bank) shall fail, liquidate, or be succeeded by another bank, or for any reason shall fail or refuse to accept rental, lessee shall not be held in default until thirty (30) days after lessee shall deliver to lessee a recordable instrument making provision for another acceptable method of payment or tender, and any depository charge is a liability of the lessor. The payment or tender of rental may be made by check or draft of lessee, mailed or delivered to said bank or lessor, or any lessor if more than one, on or before the rental paying date. Any timely payment or tender of rental or shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties, amounts, or depositories shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made; provided, however, lessee shall correct such error within thirty (30) days after lessee has received written notice thereof by certified mail from lessor together with such instruments as are necessary to enable lessee to make proper payment.

6. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or horizon thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard production unit fixed by law or by the New Mexico Oil Conservation Commission or by other lawful authority for the pool or area in which said land is situated, plus a tolerance of 10%. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the number of surface acres in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land and under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

7. If prior to the discovery of oil or gas hereunder, lessee should drill and abandon a dry hole or holes hereunder, or if after discovery of oil or gas the production thereof should cease for any cause, this lease shall not terminate. If lessee commences reworking or drilling operations within 60 days thereafter and diligently prosecutes the same, or (if it be within the primary term) commences or resumes the payment or tender of rentals or commences operations for drilling or reworking on or before the rental paying date next ensuing after the expiration of three months from date of abandonment of said dry hole or holes or the cessation of production. If at the expiration of the primary term oil or gas is not being produced but lessee is then engaged in operations for drilling or reworking of any well, this lease shall remain in force so long as such operations are diligently prosecuted with no cessation of more than 90 consecutive days. If during the drilling or reworking of any well under this paragraph, lessee loses or junks the hole or well and after diligent efforts in good faith is unable to complete said operations then within 30 days after the abandonment of said operations lessee may commence another well and drill the same with due diligence. If any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

8. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines on cultivated lands below ordinary plow depth, and this lease shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns; but no change or division in the ownership of the land, or in the ownership of or right to receive rentals, royalties or payments, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 90 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may pay or tender any rentals, royalties or payments to the credit of the deceased or his estate in the depository bank until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. In the event of an assignment of this lease as to a separate portion of said land, the rent payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, release and discharge lessee of any obligations hereunder, and if lessee or assignee of part or parts hereof shall fail to make default in the payment of the proportionate part of the rentals due from such lessee or assignee or fail to comply with any other provision of the lease, such default shall not affect this lease in so far as it covers a part of said lands upon which lessee or any assignee thereof shall so comply or make such payments. Rentals as used in this paragraph shall also include shut-in royalty.

10. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and so long as lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas hereunder; and the time while lessee is so prevented shall not be counted against lessee, anything in this lease to the contrary notwithstanding.

11. Lessor hereby warrants and agrees to defend the title to said land, and agrees that lessee, at its option, may discharge any tax, mortgage, or other lien upon said land, and in the event lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfaction of same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not) then the shut-in royalty, rentals and other payments, if any, accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

12. Lessee, its successors, heirs and assigns shall have the right at any time to surrender this lease, in whole or in part, to lessor or his heirs, successors, and assigns by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the rentals and shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

Executed the day and year first above written.

Esther M. Aguilar
Esther M. Aguilar

SS# 525-76-7857

RECEPTION
 973608

Donna King, Rm 413
 OXY USA INC
 PO Box 50250, Midland TX 79710-9946

BOOK 277 PAGE 266

STATE OF NEW MEXICO

County of EDDY

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this 10th day of March
 19 97 by Esther M. Aguilar

My Commission expires 12-19, 2000 Bruce Walterscheid
 Notary Public

STATE OF

County of

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this _____ day of _____
 19 _____ by _____

My Commission expires _____, 19____ Notary Public

STATE OF

County of

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this _____ day of _____
 19 _____ by _____

My Commission expires _____, 19____ Notary Public

STATE OF

County of

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this _____ day of _____
 19 _____ by _____

My Commission expires _____, 19____ Notary Public

No. _____	
OIL AND GAS LEASE NEW MEXICO	
FROM	TO
Date _____ 19____	
Section _____, Township _____, Range _____	No. of Acres _____
Term _____	
STATE OF NEW MEXICO COUNTY OF EDDY	
I hereby certify that this instrument was filed for record on the <u>27</u> day of <u>March</u> A. D. 19 <u>97</u> at <u>11:25</u> o'clock <u>a.</u> m., and was duly recorded in <u>BOOK 277 PAGE 265</u> of the Records of said County.	
By <u>Karen Davis</u>	Notary Public

STATE OF NEW MEXICO

County of

CORPORATION ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____
 by _____, President
 of _____ a _____ corporation
 on behalf of said corporation.

My Commission Expires: _____ Notary Public

STATE OF

County of

CORPORATION ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____
 by _____, President
 of _____ a _____ corporation
 on behalf of said corporation.

My Commission Expires: _____ Notary Public

RETURN TO: OXY USA INC.
 ATTN: LAND/DONNA KING
 P. O. BOX 50250, MIDLAND, TX 79710-
 0028

("EXHIBIT B")

BOOK 278 PAGE 383

Producer's 88—(Producer's Revised 1965) (New Mexico) Form 342

Printed and for sale by Hall-Poorbaugh Press, Roswell, N. M.

OIL & GAS LEASE

THIS AGREEMENT made this 11th day of February, 1997, between
Paul Montoya, a widower
 of Rt.1 Box 160 Carlsbad, New Mexico 88220
 (Post Office Address)

herein called lessor (whether one or more) and OXY USA INC., P. O. BOX 50250, MIDLAND, TEXAS 79710, lessee:
 1. Lessor, in consideration of TEN AND OTHER DOLLARS in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, roadways, telephone lines, and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals, the

following described land in EDDY County, New Mexico, to-wit:

Township-23-South, Range-28-E, NMPM.
Section 7: Being all of the SW/4 of the NW/4
lying South & West of the AT SF RR r-o-w,
containing 18 acres

* This is a paid-up Lease and Paragraph 4 below is left herein for the sole purpose of shut-in Gas Royalty Payments.

For the purpose of calculating the rental payments hereinafter provided for, said land is estimated to comprise 18 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this lease shall remain in force for a term of 18 months from this date (called "primary term"), and as long thereafter as oil or gas, is produced from said land or land with which said land is pooled.

3. The royalties to be paid by lessee are: (a) on oil, and on other liquid hydrocarbons saved at the well, 3/16 of that produced and saved from said land, same to be delivered at the wells or to the credit of lessor in the pipe line to which the wells may be connected; (b) on gas, including casinghead gas and all gas-like substances, produced from said land and sold or used off the premises or in the manufacture of gasoline or other product therefrom, the market value at the mouth of the well of 3/16 of the gas so sold or used, provided that on gas sold at the wells the royalty shall be 3/16 of the amount realized from such sale; (c) and at any time when this lease is not validated by other provisions hereof and there is a gas and/or condensate well on said land, or land pooled therewith, but no oil or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, then on or before 90 days after said well is shut in, and thereafter at annual intervals, lessee may pay or tender an advance annual shut-in royalty equal to the amount of delay rentals provided for in this lease for the acreage then held under this lease by the party making such payment or tender, and so long as said shut-in royalty is paid or tendered this lease shall not terminate and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this lease if the well were in fact producing, or be paid or tendered to the credit of such party or parties in the depository bank and in the manner hereinafter provided for the payment of rentals.

4. If operations for drilling are not commenced on said land or on land pooled therewith on or before one (1) year from this date, this lease shall terminate

as to both parties, unless on or before one (1) year from this date lessee shall pay or tender to the lessor a rental of \$1.00 per acre, which shall cover the privilege of deferring commencement of such operations for a period of two (2) months. In like manner and upon like payments or tenders, annually, the commencement of said operations may be further deferred for successive periods of twelve (12) months each during the primary term. Payment

or tender may be made to the lessor or to the credit of the lessor in the pay to lessor at the above address Bank

5. The lessor hereby assigns to the lessee, which bank, or any successor thereof, shall continue to be the agent for the lessor and lessee's heirs and assigns. If such bank (or any successor bank) shall fail, liquidate, or be succeeded by another bank, or for any reason shall fail or refuse to accept rental, lessee shall not be held in default until thirty (30) days after lessee shall deliver to lessee a recordable instrument making provision for another acceptable method of payment or tender, and any depository charges in a liability of the lessor. The payment or tender of rental may be made by check or draft of lessee, mailed or delivered to said bank or lessor, or any lessor if more than one, on or before the rental paying date. Any timely payment or tender of rental or shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties, amounts, or depositories shall nevertheless be sufficient to prevent termination of this lease in the same manner as though a proper payment had been made; provided, however, lessee shall correct such error within thirty (30) days after lessee has received written notice thereof by certified mail from lessor together with such instruments as are necessary to enable lessee to make proper payment.

6. Lessee is hereby granted the right and power, from time to time, to pool or combine this lease, the land covered by it or any part or portion thereof with any other land, lease, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard production unit fixed by law or by the New Mexico Oil Conservation Commission or by other lawful authority for the pool or area in which said land is situated, plus a tolerance of 10%. Lessee shall file written unit designations in the county in which the premises are located and such units may be designated from time to time, either before or after the completion of wells. Drilling operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this lease. There shall be allocated to the land covered by this lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the number of surface acres in the land covered by this lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the unit. The portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this lease. Any pooled unit designated by lessee, as provided herein, may be dissolved by lessee by recording an appropriate instrument in the County where the land is situated at any time after the completion of a dry hole or the cessation of production on said unit.

7. If prior to the discovery of oil or gas hereunder, lessee should drill and abandon a dry hole or holes hereunder, or if after discovery of oil or gas the production therefrom should cease for any cause, this lease shall not terminate if lessee commences reworking or additional drilling operations within 90 days thereafter and diligently prosecutes the same, or (if it be within the primary term) commences or resumes the payment or tender of rentals or commences operations for drilling or reworking on or before the rental paying date next ensuing after the expiration of three months from date of abandonment of said dry hole or holes or the cessation of production. If at the expiration of the primary term oil or gas is not being produced but lessee is then engaged in operations for drilling or reworking of any well, this lease shall remain in force so long as such operations are diligently prosecuted with no cessation of more than 90 consecutive days. If during the drilling or reworking of any well under this paragraph, lessee loses or junk the hole or well and after diligent efforts in good faith is unable to complete said operations then within 90 days after the abandonment of said operations lessee may commence another well and drill the same with due diligence. If any drilling, additional drilling, or reworking operations hereunder result in production, then this lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

8. Lessee shall have free use of oil, gas and water from said land, except water from lessor's wells and tanks, for all operations hereunder, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on said land without lessor's consent. Lessor shall have the privilege, at his risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas for operations hereunder.

9. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns; but no change or division in the ownership of the land, or in the ownership of or right to receive rentals, royalties or payments, however accomplished shall operate to enlarge the obligations or diminish the rights of lessee; and no such change or division shall be binding upon lessee for any purpose until 30 days after lessee has been furnished by certified mail at lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original lessor. If any such change in ownership occurs through the death of the owner, lessee may pay or tender any rentals, royalties or payments to the credit of the deceased or his estate in the depository bank until such time as lessee has been furnished with evidence satisfactory to lessee as to the persons entitled to such sums. In the event of an assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area of each and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, release and discharge lessee of any obligations hereunder, and, if lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportions or part of the rentals due on such lease or assignee or fail to comply with any other provision of the lease, such default shall not affect this lease in so far as it covers a part of said lands upon which lessee or any assignee thereof shall so comply or make such payments. Rentals as used in this paragraph shall also include shut-in royalty.

10. Should lessee be prevented from complying with any express or implied covenant of this lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of secrecy or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, lessee's duty shall be suspended, and lessee shall not be liable for failure to comply therewith; and this lease shall be extended while and as long as lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas hereunder; and the time while lessee is so prevented shall not be counted against lessee, anything in this lease to the contrary notwithstanding.

11. Lessor hereby warrants and agrees to defend the title to said land, and agrees that lessee, at its option, may discharge any tax, mortgage, or other lien upon said land, and in the event lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. Without impairment of lessee's rights under the warranty, if this lease covers a less interest in the oil or gas in all or any part of said land than the entire fee simple estate (whether lessor's interest is here specified or not) then the royalties, shut-in royalty, rental, and other payments, if any accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

12. Lessee hereby releases and assigns all its right at any time to surrender this lease in whole or in part, to lessor or his heirs, successors, assigns, or any one, by delivering or mailing a release thereof to the lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the rentals and shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

RECORDER'S MEMORANDUM
 All or parts of the text on this page
 was not clearly legible for satisfactory
 recordation EDDY COUNTY CLERK

Executed the day and year first above written.
Paul Montoya, a widower
Paul Montoya, a widower 729-38-3960

RECEPTION
 OXY USA Inc
 PO Box 50250
 974063 Midland Tx 79710

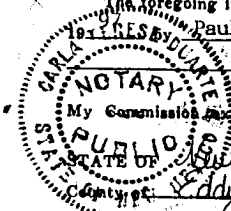
BOOK 278 PAGE 384

STATE OF New Mexico

County of Eddy

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this 21st day of March, 192000, by Paul Montoya, a widower

My Commission Expires 5/7, 192000

Notary Public

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____ by _____

My Commission Expires _____, 19____ Notary Public

STATE OF _____

County of _____

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____ by _____

My Commission Expires _____, 19____ Notary Public

STATE OF _____

County of _____

INDIVIDUAL ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____ by _____

My Commission Expires _____, 19____ Notary Public

By <u>Karen Davis</u> Notary Public State of New Mexico County of <u>Eddy</u> My Commission Expires <u>5/7/2000</u>	I hereby certify that this instrument was filed for record on the <u>9</u> day of <u>April</u> , A.D. 19 <u>97</u> , at <u>11:58</u> o'clock <u>a</u> .m., and was duly recorded in <u>BOOK 278 PAGE 383</u> of the Records of said County.	FROM TO Section _____, Township _____, Range _____ No. of Acres _____ Term _____ Date _____, 19____ State of New Mexico County of New Mexico	No. _____ OIL AND GAS LEASE NEW MEXICO
---	---	---	--

STATE OF NEW MEXICO

County of _____

CORPORATION ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____ a _____ corporation on behalf of said corporation.

My Commission Expires: _____ Notary Public

STATE OF _____

County of _____

CORPORATION ACKNOWLEDGMENT (New Mexico Short Form)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____ a _____ corporation on behalf of said corporation.

My Commission Expires: _____ Notary Public

("EXHIBIT P")

Form C-145
Revised May 19, 2017

Permit 362230

District I1625 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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170**District IV**1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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**New Operator Information**

	Effective Date:	Effective on the date of approval by the OCD
OGRID:	332195	OGRID: 330859
Name:	Civitas Permian Operating, LLC	Name: Alpha Energy Partners LLC
Address:	555 17th Street	Address: PO Box 10701
	Suite 3700	
City, State, Zip:	Denver, CO 80202	City, State, Zip: Midland, TX 79702

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, Alpha Energy Partners 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.

Alpha Energy Partners 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, Alpha Energy Partners LLC agrees to the following statements:

1. Initials pm 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 pm 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 pm 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 pm 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 pm 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 pm 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 pm 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 pm 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 pm 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 pm 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 pm 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 pm 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: 

Printed Name: Nathan S. Bennett

Title: Director, Permitting & Compliance

Date: 03/21/2024 Phone: 303-312-8166

New Operator

Signature: 

Printed Name: P. Nick Maxwell

Title: CEO

Date: 3/25/2024 Phone: 432-219-8854

Permit 362230

NMOCD Approval

Electronic Signature(s): Rob Jackson, District 2

Date: March 26, 2024

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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 362230

1 Well Selected for Transfer

From:	Civitas Permian Operating, LLC	OGRID:	332195
To:	Alpha Energy Partners LLC	OGRID:	330859

OCD District: Artesia (1 Well selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
335628	TRACY B COM #001	P	I-18-22S-27E	I	30-015-21416			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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

COMMENTS

Action 362230

COMMENTS

Operator: Civitas Permian Operating, LLC 555 17th Street Denver, CO 80202	OGRID: 332195
	Action Number: 362230
	Action Type: [C-145] EP Change of Operator

Comments

Created By	Comment	Comment Date
abustamante	Rejected: Operator only submitted page 3 of the C-145 3-page document. Please read "Notice of Responsibility" prior to uploading the complete document(s). Re-submit the correct 3-page C-145.	3/26/2024

("EXHIBIT N")

Form C-145
Revised May 19, 2017

Permit 362231

District I1625 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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170**District IV**1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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**New Operator Information**

		Effective Date:	Effective on the date of approval by the OCD
OGRID:	332195	OGRID:	330859
Name:	Civitas Permian Operating, LLC	Name:	Alpha Energy Partners LLC
Address:	555 17th Street Suite 3700	Address:	PO Box 10701
City, State, Zip:	Denver, CO 80202	City, State, Zip:	Midland, TX 79702

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, Alpha Energy Partners 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.

Alpha Energy Partners 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, Alpha Energy Partners LLC agrees to the following statements:

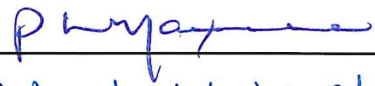
1. Initials AP I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand 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 AP 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 AP 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 AP 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 AP 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 AP 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 AP 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 AP 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 AP 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 AP 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 AP 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 AP 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: 
Printed Name: Nathan S. Bennett
Title: Director, Permitting & Compliance
Date: 03/21/2024 Phone: 303-312-8166

New Operator

Signature: 
Printed Name: P. Nick Maxwell
Title: CEO
Date: 3/25/2024 Phone: 432-219-8854

Permit 362231

NMOCD Approval	
Electronic Signature(s):	<u>Rob Jackson, District 2</u>
Date:	<u>March 26, 2024</u>

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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 362231

1 Well Selected for Transfer

From:	Civitas Permian Operating, LLC	OGRID:	332195
To:	Alpha Energy Partners LLC	OGRID:	330859

OCD District: Artesia (1 Well selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
335627	COLONIA A COM #001	P	K-18-22S-27E	K	30-015-21593			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
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1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

COMMENTS

Action 362231

COMMENTS

Operator: Civitas Permian Operating, LLC 555 17th Street Denver, CO 80202	OGRID: 332195
	Action Number: 362231
	Action Type: [C-145] EP Change of Operator

Comments

Created By	Comment	Comment Date
abustamante	Rejected: Operator only submitted page 3 of the C-145 3-page document. Please read "Notice of Responsibility" prior to uploading the complete document(s). Re-submit the correct 3-page C-145.	3/26/2024

("EXHIBIT O")

Form C-145
Revised May 19, 2017

Permit 362232

District I1625 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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170**District IV**1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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**New Operator Information**

OGRID: 332195 Name: Civitas Permian Operating, LLC Address: 555 17th Street Suite 3700 City, State, Zip: Denver, CO 80202	Effective Date: <div style="border: 1px solid black; padding: 2px;">Effective on the date of approval by the OCD</div> OGRID: 330859 Name: Alpha Energy Partners LLC Address: PO Box 10701 City, State, Zip: Midland, TX 79702
---	--

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, Alpha Energy Partners 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.

Alpha Energy Partners 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, Alpha Energy Partners LLC agrees to the following statements:

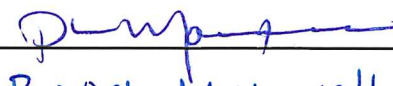
1. Initials AM I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand 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 AM 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 AM 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 AM 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 AM 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 AM 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 AM 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 AM 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 AM 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 AM 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 AM 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 AM 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: 
Printed Name: Nathan S. Bennett
Title: Director, Permitting & Compliance
Date: 03/21/2024 Phone: 303-312-8166

New Operator

Signature: 
Printed Name: P. Nick Maxwell
Title: CEO
Date: 3/25/2024 Phone: 432-219-0854

Permit 362232

NMOCD Approval	
Electronic Signature(s):	<u>Rob Jackson, District 2</u>
Date:	<u>April 10, 2024</u>

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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 362232

1 Well Selected for Transfer

From:	Civitas Permian Operating, LLC	OGRID:	332195
To:	Alpha Energy Partners LLC	OGRID:	330859

OCD District: Artesia (1 Well selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
335714	KODIAK #002	P	O-17-22S-27E	O	30-015-33962			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
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Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

COMMENTS

Action 362232

COMMENTS

Operator: Civitas Permian Operating, LLC 555 17th Street Denver, CO 80202	OGRID: 332195
	Action Number: 362232
	Action Type: [C-145] EP Change of Operator

Comments

Created By	Comment	Comment Date
abustamante	Rejected: New Operator did not meet the additional single well financial assurance due to an inactive well for \$48980 as per rule 19.15.8.9 NMAC. Operator only submitted page 3 of the C-145 3-page document. Please read "Notice of Responsibility" prior to uploading the complete document(s). Re-submit the correct 3-page C-145.	3/26/2024
abustamante	Rejected #2: New Operator did not meet the additional single well financial assurance due to an inactive well for \$48980 as per rule 19.15.8.9 NMAC. Please hold the re-submittal until the bond has been met and sent to Santa Fe and the operator has received approval.	3/26/2024



("EXHIBIT Q")



0.2km
600ft

-104.21883 32.38953 Degrees

All rights reserved

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-015-23450
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Brantley A Com
8. Well Number 1
9. OGRID Number 192463
10. Pool name or Wildcat Wildcat Loring Penn Gas
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3039'

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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

OXY USA WTP Limited Partnership

3. Address of Operator

P.O. Box 50250 Midland, TX 79710

4. Well Location

Unit Letter J: 1980 feet from the south line and 1980 feet from the east line
 Section 7 Township 23S Range 28E NMPM County Eddy

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐
 CLOSED-LOOP SYSTEM ☐
 OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐
 OTHER: ☐

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.

TD-12545' PBTD-10900' Perfs-10506-10531'

13-3/8" 48# csg @ 436' w/ 425sx, 17-1/2" hole, TOC-Surf-Circ
 9-5/8" 36-40# csg @ 2449' w/ 1750sx, 12-1/4" hole, TOC-Surf-Circ
 7" 23-26-29# csg @ 10940', DVT @ 5520' w/ 1600sx, 8-1/2" hole, TOC-Surf-Circ
 5" 18# liner @ 10614-12545' w/ 225sx, 6-1/8" hole, TOC-10614'-Circ

1. RIH & set CIBP @ 10456', M&P 45sx cmt to 10230' - WOC + Tag
 2. M&P 25sx cmt @ 9445-9345' WOC-Tag
 3. M&P 25sx cmt @ 7510-7410' WOC-Tag
 4. M&P 25sx cmt @ 5570-5470' WOC-Tag
 5. M&P 25sx cmt @ 4035-3935' WOC-Tag
 6. M&P 60sx cmt @ 2500-2200' WOC-Tag - Perf @ 2500' + Attempt to 5g2
 7. M&P 25sx cmt @ 1090-990' WOC-Tag
 8. M&P 100sx cmt @ 486' to Surface - Perf @ 486' + Attempt to 5g2

10# MLF between plugs - Above ground steel tanks will be utilized

Notify OCD 24 hrs. prior to any work done.

RECEIVED

AUG 14 2019

DISTRICT II-ARTESIA O.C.D.

Spud Date:

Rig Release Date:

* See Attached COA's Must be Plugged by 8/14/20
 I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE David Stewart TITLE Sr. Regulatory Advisor DATE 8/14/19

Type or print name David Stewart E-mail address: david_stewart@oxy.com PHONE: 432-685-5717

For State Use Only

APPROVED BY: David Stewart TITLE Staff Mgr DATE 8/14/19

OXY USA WTP LP - Proposed
Brantley A Com #1
API No. 30-015-23458

100sx @ 486'-Surface

25sx @ 1090-990' WOC-Tag

60sx @ 2500-2200' WOC-Tag

25sx @ 4035-3935' WOC-Tag

25sx @ 5570-5470' WOC-Tag

25sx @ 7510-7410' WOC-Tag

25sx @ 9445-9345' WOC-Tag

CIBP @ 10456' w/ 45sx to 10230'

1997-Pkr/BP @ 10950' w/ 4sx cmt to 10900' Tag'd

1989-Pkr/BP @ 11250' w/ 4sx cmt to 11208' Tag'd

1988-CIBP @ 11950' w/ 4sx to 11897' Tag'd

1981-CR @ 12100' sqz 100sx cmt

PB-12505'

TD-12545'

17-1/2" hole @ 445'
13-3/8" csg @ 436'
w/ 425sx-TOC-Surf-Circ

12-1/4" hole @ 2450'
9-5/8" csg @ 2449'
w/ 1750sx-TOC-Surf-Circ

8-1/2" hole @ 10940'
7" csg @ 10940'
w/ 1600sx-TOC-Surf-Circ
DVT @ 5520'

6-1/8" hole @ 12545'
5" liner @ 10614-12545'
w/ 225sx-TOC-10614'-Circ

Perfs @ 10506-10531'

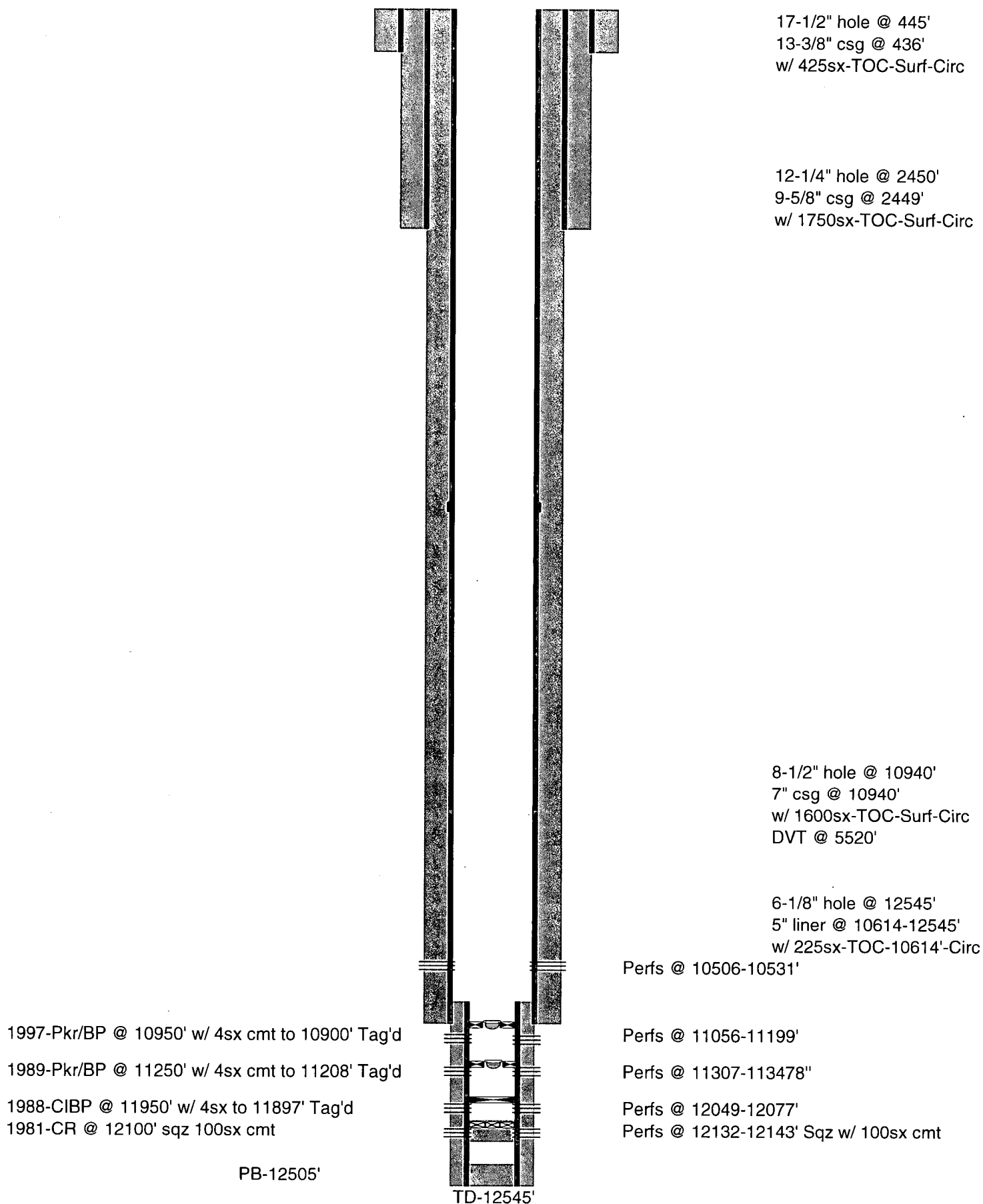
Perfs @ 11056-11199'

Perfs @ 11307-113478"

Perfs @ 12049-12077'

Perfs @ 12132-12143' Sqz w/ 100sx cmt

OXY USA WTP LP - Current
 Brantley A Com #1
 API No. 30-015-23458



CONDITIONS FOR PLUGGING AND ABANDONMENT

District II / Artesia N.M.

The following is a guide or checklist in preparation of a plugging program, this is not all inclusive and care must be exercised in establishing special plugging programs in unique and unusual cases, **Notify NMOCD District Office II at (575)-748-1283 at least 24 hours before beginning work.**

1. A notice of intent to plug and abandon a wellbore is required to be approved before plugging operations are conducted. A cement evaluation tool is required in order to ensure isolation of producing formations, protection of water and correlative rights. A cement bond log or other accepted cement evaluation tool is to be provided to the division for evaluation if one has not been previously run or if the well did not have cement circulated to surface during the original casing cementing job or subsequent cementing jobs.
2. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to a permitted disposal location.
3. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator as well as the contractor, to verify that this permit is in place prior to performing work. Drivers shall be able to produce a copy upon request of an NMOCD Field inspector.
4. Filing a subsequent C-103 will serve as notification that the well has been plugged.
5. A final C-103 shall be filed (and a site inspection by NMOCD Inspector to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to Meet NMOCD standards) before bonding can be released.
6. If the well is not plugged within 1
7. If work has not begun within 1 Year of the approval of this procedure, an extension request must be file stating the reason the well has not been plugged.
8. **Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.**
9. Produced water **will not** be used during any part of the plugging operation.
10. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
11. All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
12. **Class 'C' cement will be used above 7500 feet.**
13. **Class 'H' cement will be used below 7500 feet.**
14. **A cement plug is required to be set 50' above and 50' below, casing stubs, DV tools, attempted casing cut offs, cement tops outside casing, salt sections and anywhere the casing is perforated, these plugs require a 4 hour WOC and then will be tagged**
15. **All Casing Shoes Will Be Perforated 50' below shoe depth and Attempted to be Squeezed, cement needs to be 50' above and 50' Below Casing Shoe inside the Production Casing**

16. When setting the top out cement plug in production, intermediate and surface casing, wellbores should remain full at least 30 minutes after plugs are set
17. **A CIBP is to be set within 100' of production perforations, capped with 100' of cement, WOC 4 hours and tag.**
18. A CIBP with 35' of cement may be used in lieu of the 100' plug if set with a bailer. This plug will be placed within 100' of the top perforation, **(WOC 4 hrs and tag).**
19. **No more than 3000' is allowed between cement plugs in cased hole and 2000' in open hole.**
20. Some of the Formations to be isolated with cement plugs are: These plugs to be set to isolate formation tops
 - A) Fusselman
 - B) Devonian
 - C) Morrow
 - D) Wolfcamp
 - E) Bone Springs
 - F) Delaware
 - G) Any salt sections
 - H) Abo
 - I) Glorieta
 - J) Yates.
 - K) **Potash---** (In the R-111-P Area (Potash Mine Area), a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, **WOC 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.**
21. **If cement does not exist behind casing strings at recommended formation depths, the casing can be cut and pulled with plugs set at recommended depths. If casing is not pulled, perforations will be shot and cement squeezed behind casing, WOC and tagged. These plugs will be set 50' below formation bottom to 50' above formation top inside the casing**

DRY HOLE MARKER REQUIREMENTS

The operator shall mark the exact location of the plugged and abandoned well with a steel marker not less than four inches in diameter, 3' below ground level with a plate of at least ¼" welded to the top of the casing and the dry hole marker welded on the plate with the following information welded on the dry hole marker:

1. Operator name 2. Lease and Well Number 3.API Number 4. Unit Letter 5. Quarter Section (feet from the North, South, East or West) 6. Section, Township and Range 7. Plugging Date 8. County (SPECIAL CASES)-----AGRICULTURE OR PRARIE CHICKEN BREEDING AREAS

In these areas, a below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to NMOCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to NMOCD (We typically require a current survey to verify the GPS)

("EXHIBIT K")

**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. 25166
ORDER NO. R-23961**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on March 4, 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 to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A on October 8, 2024, in Case No. 24944.
2. Applicant submitted an amended application ("Application") to compulsory pool the uncommitted oil and gas interests within the Unit on January 14, 2025. The Application was amended to request that Paloma Permian AssetCo, LLC ("Paloma") be designated as the operator of the Unit.
3. Case No. 24944 was dismissed under Order No. R-23668 issued on January 28, 2025.
4. Applicant will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
5. Applicant proposes the supervision and risk charges for the Well(s) described in Exhibit A.
6. Applicant identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
7. 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.
8. Covenant Hercules, LLC, Christian Capstone, LLC, Crusader Royalties, LLC, Chief Capital II, LLC, and American Energy Resources, LLC ("AER") filed motions to dismiss Case No. 25166. Each motion was denied during the hearing (TR pg. 19 and 39).

9. AER objected to the hearing proceeding by affidavit on January 29, 2025. AER did not present a case in chief or cross examine Applicant's witnesses. AER is the operator of record for the Saik No. 1 well (API No. 30-015-20971) which is in the Northwest quarter of the Northeast quarter of Section 17 in Township 22 South and Range 27 East and is reported to be completed in the Wolfcamp formation ("Saik Well"). At hearing, Applicant presented evidence in the form of affidavits and sworn expert testimony as to whether AER has an interest in the Unit.
 - a. Applicant provided a summary of ownership in the Unit that does not include an interest owned by AER.
 - b. Applicant asserts that AER believes it has interest in the Unit due to its involvement with the Saik Well. Applicant testified that AER does not own wellbore or leaseholder rights in the Unit (TR pg. 92-93).
 - c. Applicant testified that AER does not have an interest in the Unit (TR pg. 93).
10. Warren and Lillie Anderson ("Andersons") objected to the hearing proceeding by affidavit on or about February 11, 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 August 21, 2024, well proposals were sent.
 - ii. On September 30, 2024, discussions regarding interest and potentially leasing occurred.
 - iii. Between September 2024 and October 8, 2024, ongoing discussions to reach an agreement occurred.
 - b. Andersons own 0.275482 acres of unleased mineral interest in the Unit.
 - c. Applicant offered to lease Andersons' unleased mineral interest for \$3,000 per acre and 25% royalty for a 3-year lease with an option to extend the lease for an additional 2 years for \$3,000 per acre.
 - d. Applicant testified that its lease offer to Andersons was above and beyond fair market value.
 - e. Andersons offered to allow Applicant to lease Anderson's unleased mineral interest for \$12,000 per acre and 50% royalty with an additional payment. It is unclear whether the additional payment was in the amount of \$50,000 or \$100,000 (TR pg. 124-125).
 - f. Applicant testified that it negotiated with Andersons in good faith.

CONCLUSIONS OF LAW

11. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
12. Applicant is the owner of an oil and gas working interest within the Unit.
13. Applicant satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
14. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
15. AER did not provide evidence that demonstrates AER has an interest in the Unit.
16. 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.

17. 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.
18. The Unit contains separately owned uncommitted interests in oil and gas minerals.
19. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
20. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
21. 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

22. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
23. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
24. Paloma is designated as operator of the Unit and the Well(s).
25. 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.
26. 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.
27. 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.
28. 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.
29. 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.
30. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
31. 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").
32. 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."
33. 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.
34. 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.
35. 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."
36. 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.
37. 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.

38. 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.
39. 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.
40. 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.
41. 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.
42. 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.
43. 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.
44. 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

**ALBERT CHANG
DIRECTOR**

AC/dm

Date: 9/8/2025

CASE NO. 25166
ORDER NO. R-23961

Page 7 of 7

R-23961 EXHIBIT A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 25166	APPLICANT'S RESPONSE
Date: March 4, 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:	Covenant Hercules, LLC Christian Capstone, LLC Crusader Royalties, LLC Chief Capital (O&G) II LLC Permian Resources Operating, LLC American Energy Resources LLC Jonathan Samaniego Warren and Lilli Anderson
Well Family	Hollywood Star Fee 17-18
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp formation
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp formation
Pool Name and Pool Code:	Purple Sage Wolfcamp; Pool Code: [98220]
Well Location Setback Rules:	Division's Special Rules for the Purple Sage Wolfcamp Pool as established in Order No. R-14262.
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	1267.84-acre, more or less
Building Blocks:	Quarter Sections (160 Acre Blocks)
Orientation:	West to East
Description: TRS/County	All 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 application?	Yes, Standard Spacing Unit
Other Situations	
Depth Severance: Y/N. If yes, description	No, N/A
Proximity Tracts: If yes, description	Yes, S/2 of Sections 17 and 18, T22S-R27E
Proximity Defining Well: if yes, description	Yes, Hollywood Star 17-18 Fee 802H
Applicant's Ownership in Each Tract	See Exhibit A-2, breakdown of ownership
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Hollywood Star 17-18 Fee 701H Well (API No. 30-015-Pending) SHL: Unit L, 1,651' FSL, 180' FWL, Section 16, T22S-R27E; BHL: Lot 4, 724 FSL, 200' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico, laydown, standard
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 701H Well: FTP: Unit P, 724' FSL, 330' FEL, Section 17, T22S-R27E LTP: Lot 4, 724' FSL, 330' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 701H Well: TVD approx. 8,809', TMD 19,150'; Wolfcamp formation, See Exhibit A, A-1 & B-2
Well #2	Hollywood Star 17-18 Fee 702H Well (API No. 30-015-Pending) SHL: Unit L, 1,671' FSL, 180' FWL, Section 16, T22S-R27E; BHL: Lot 3, 2,024' FSL, 200' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico, laydown,

R-23961 EXHIBIT A

Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee Com 702H Well: FTP: Unit I, 2,024' FSL, 330' FEL, Section 17, T22S-R27E LTP: Lot 3, 2,024' FSL, 330' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 702H Well: TVD approx. 8,809', TMD 19,150'; Wolfcamp formation, See Exhibit A, A-1 & B-2
Well #3	Hollywood Star 17-18 Fee 703H Well (API No. 30-015-Pending) SHL: Unit L, 2,421' FSL, 180' FWL, Section 16, T22S-R27E; BHL: Lot 2, 1,960' FNL, 200' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico, laydown,
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 703H Well: FTP: Unit H, 1,960' FNL, 330' FEL, Section 17, T22S-R27E LTP: Lot 2, 1,960' FNL, 330' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 703H Well: TVD approx. 8,809', TMD 19,150'; Wolfcamp formation, See Exhibit A, A-1 & B-2
Well #4	Hollywood Star 17-18 Fee 704H Well (API No. 30-015-Pending) SHL: Unit L, 2,441' FSL, 180' FWL, Section 16, T22S-R27E; BHL: Lot 1, 660' FNL, 200' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico, laydown, standard
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 704H Well: FTP: Unit A, 660' FNL, 330' FEL, Section 17, T22S-R27E LTP: Lot 1, 660' FNL, 330' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 704H Well: TVD approx. 8,809', TMD 19,150'; Wolfcamp formation, See Exhibit A, A-1 & B-2
Well #5	Hollywood Star 17-18 Fee 801H Well (API No. 30-015-Pending) SHL: Unit L, 1,691' FSL, 180' FWL, Section 16, T22S-R27E; BHL: Lot 3, 1,374' FSL, 200' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico, laydown,
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 801H Well: FTP: Unit I, 1,374' FSL, 330' FEL, Section 17, T22S-R27E LTP: Lot 3, 1,374' FSL, 330' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 801H Well: TVD approx. 9,402', TMD 19,725'; Wolfcamp formation, See Exhibit A, A-1 & B-2
Well #6	Hollywood Star 17-18 Fee 802H Well (API No. 30-015-Pending) SHL: Unit L, 1,711' FSL, 180' FWL, Section 16, T22S-R27E; BHL: Lot 2, 2,610' FNL, 200' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico, laydown,
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 802H Well: FTP: Unit H, 2,610' FNL, 330' FEL, Section 17, T22S-R27E LTP: Lot 2, 2,610' FNL, 330' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 802H Well: TVD approx. 9,402', TMD 19,725'; Wolfcamp formation, See Exhibit A, A-1 & B-2
Well #7	Hollywood Star 17-18 Fee 803H Well (API No. 30-015-Pending) SHL: Unit L, 2,401' FSL, 180' FWL, Section 16, T22S-R27E; BHL: Lot 1, 1,310' FNL, 200' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico, laydown,
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 803H Well: FTP: Unit A, 1,310' FNL, 330' FEL, Section 17, T22S-R27E LTP: Unit 1, 1,310' FNL, 330' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 803H Well: TVD approx. 9,402', TMD 19,725'; Wolfcamp formation, See Exhibit A, A-1 & B-2

R-23961 EXHIBIT A

AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8500, Exhibit A
Production Supervision/Month \$	\$850, 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
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 owner; including as shown on Exhibit A-2
Unlocatable Parties to be Pooled	Exhibit A, Para. 20
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-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4, B-5
Well Orientation (with rationale)	Exhibit B, B-1, B-3
Target Formation	Exhibit B-2, B-4, B-5
HSU Cross Section	Exhibit B-2, B-4, B-5
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
Cross Section Location Map (including wells)	Exhibit B-2, B-4, B-5, B-6
Cross Section (including Landing Zone)	Exhibit B-4, B-5, B-6
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	/s/ <i>Darin Savage</i>
Date:	25-Feb-25

("EXHIBIT L")

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
ALPHA ENERGY PARTNERS II, LLC**

**CASE NO. 25495
ORDER NO. R-23977**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on August 7, 2025, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

1. Alpha Energy Partners II, LLC ("Alpha") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. Alpha seeks to designate Paloma Permian AssetCo, LLC as the operator ("Operator") of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator 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 Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator 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.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. 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

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
20. The Operator 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.
21. This Order shall terminate automatically if the Operator fails to comply with the preceding paragraph unless the Operator 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 Operator must set the case for a hearing.
22. Operator 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 Operator must set the case for a hearing.

CASE NO. 25495
ORDER NO. R-23977

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23. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
24. Operator 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").
25. No later than thirty (30) days after Operator 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 Operator 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."
26. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator 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.
27. 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 Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator 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.
28. 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."
29. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator 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.

30. Operator 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.
31. Operator 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.
32. Operator 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.
33. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator 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.
34. 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.
35. Except as provided above, Operator 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.*
36. 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. Operator shall inform OCD no later than thirty (30) days after such occurrence.
37. 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**

AC/asf

Date: 9/2/2025

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Exhibit A

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ALPHA COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 25495	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)	316.84-acre, more or less
Building Blocks:	Quarter-quarter sections (40 Acre Blocks)
Orientation:	East to West
Description: TRS/County	N/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 application?	Yes, Standard Spacing Unit
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)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

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Well #1	Hollywood Star 17-18 Fee 504H Well SHL: Unit L, 2,403' FSL, 315' FWL, Section 16, T22S-R27E; BHL: Lot 1, 660' FNL, 50' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico Completion Target: 2nd Bone Spring formation Well Orientation: East of West / Laydown Completion Location: Standard
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 504H Well FTP: Unit A, 660' FNL, 100' FEL, Section 17, T22S-R27E LTP: Lot 1, 660' FNL, 100' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 504H Well TVD approx. 7,140'; TMD approx. 18,100'; 2nd Bone Spring formation, See Exhibit A, A-1 & B-3
Well #2	Hollywood Star 17-18 Fee 554H Well SHL: Unit L, 2,443' FSL, 315' FWL, Section 16, T22S-R27E; BHL: Lot 1, 660' FNL, 50' FWL, Section 18, T22S-R27E, NMPM; Eddy County, New Mexico Completion Target: 3rd Bone Spring (Harkey) formation Well Orientation: East to West / Laydown Completion Location: Standard
Horizontal Well First and Last Take Points	Hollywood Star 17-18 Fee 554H Well FTP: Unit A, 660' FNL, 100' FEL, Section 17, T22S-R27E LTP: Lot 1, 660' FNL, 100' FWL, Section 18, T22S-R27E
Completion Target (Formation, TVD and MD)	Hollywood Star 17-18 Fee 554H Well TVD approx. 7,860'; TMD approx. 18,850'; 3rd Bone Spring (Harkey) 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
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2

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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 provided 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

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CASE NO. 25495
ORDER NO. R-23977

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("EXHIBIT M")

**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.

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.
 37. 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**

AC/dm

Date: 9/8/2025

CASE NO. 25496
ORDER NO. R-23989

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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 application?	Yes, Standard Spacing Unit
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)	
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, NMPPM; 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, NMPPM; 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 provided 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