



Subject: Ethics Complaint

Dear Members of the AAPL Ethics Committee,

I have been a Landman since 2011 and have interacted with countless Landmen and AAPL members throughout my career. I am also the Founder and CEO of ES3 Minerals LLC.

Per the AAPL Code of Ethics and Standards of Practice (“AAPL Code”), I am submitting this formal ethics complaint against Nick Kreines, a former executive (Vice President of Business Development) of ES3 Minerals, LLC (“ES3”), who holds the CPL designation. While employed with our company, Mr. Kreines engaged in a series of actions that directly violate the ethical standards expected of CPL holders and seriously undermine the integrity of both the AAPL organization as well as the profession.

Details of the Complaint:

1. **Conflict of Interest and Direct Competition:** While employed as an executive with ES3 Minerals, LLC, Mr. Kreines actively conspired with another former executive, Mr. David Ryan, who had been Vice President of Acquisitions for ES3 and who had formed a competing entity, Liberty Mineral Partners LLC (“LMP”). Specifically, during the period of his ES3 employment, Mr. Kreines participated in and collaborated with Mr. Ryan and LMP and to compete against ES3 by securing mineral rights deals valued in the millions of dollars—opportunities that ES3 was actively pursuing.
2. **Undisclosed Compensation from a Competitor:** Mr. Kreines was employed as an ES3 executive through January 31, 2024. Mr. Kreines received compensation from LMP for his efforts in LMP’s acquisition and divestiture of mineral rights deals during the period of his ES3 employment. Mr. Ryan has confessed that Mr. Kreines was compensated **on every transaction** that LMP has ever consummated, including a multi-million-dollar deal that was signed in early December of 2023 as well as numerous other deals that LMP closed under an AMI (Area of Mutual Interest) (“AMI”) Agreement that LMP entered in October 2023 with a longstanding buyer of ES3.
3. **Breach of Confidentiality and Disclosure of Proprietary Information:** In addition to pursuing mineral deals for a competitor, Mr. Kreines disclosed ES3’s confidential and proprietary information to facilitate LMP’s acquisition and operational strategies. In one instance, Mr. Kreines, requested via text that he be removed as an editor of an AMI Smartsheet where he was assisting LMP on AMI deals. Mr. Kreines took numerous steps such as this to keep his actions hidden from ES3 and the public.
4. **Conspiracy to Replicate Proprietary Software:** Mr. Kreines further conspired with Mr. Ryan to create a replica of ES3’s proprietary software system for use by LMP. Numerous text messages, emails, and chats exist that evidence secret meetings **months before his**

departure from ES3, involving Mr. Kreines, Mr. Ryan and their software developer. One such meeting (which took place while Mr. Kreines was still an ES3 executive), was **captured on a video**, (that was played in Court) shows Mr. Kreines literally discussing ES3's proprietary pricing information and specific geographical areas of opportunity for LMP.

Legal Action: Due to the seriousness of these actions, ES3 initiated a lawsuit against Mr. Kreines, Mr. Ryan, and other related parties. I have attached a copy of the lawsuit, which is styled in Travis County, 459th District Court; Case Number D-1-GN-24-006854. The Court granted expedited discovery that has revealed extensive evidence to substantiate these claims. Due to the Confidentiality and Protective Order in the case, I am currently limited in my ability to share documents and videos produced in discovery at this time, but I hope to supplement with additional information. Nevertheless, Mr. Kreines himself is in possession of relevant information that could be sought as part of the investigation. I, of course, would be willing to be interviewed, if appropriate.

Requested Review and Action:

Given the severity and documented evidence of these breaches, I respectfully request that the AAPL Ethics Committee:

1. Conduct a thorough investigation into Mr. Kreines' conduct as it relates to the AAPL Code of Ethics and Standards of Practice.
2. Pursue appropriate disciplinary measures, including the revocation of Mr. Kreines' CPL designation and, if appropriate, his expulsion from the AAPL.

These actions are essential to protect the integrity of the CPL designation, maintain trust within the profession, and deter similar ethical violations among industry professionals.

I appreciate the AAPL's dedication to ethical integrity and professionalism and trust that the committee will give this matter the serious consideration it deserves. I am more than willing to cooperate with AAPL's investigation. I am available anytime at 512-579-7374 or trey@es3minerals.com to discuss this matter further.

Sincerely,



Edward J. "Trey" Stanton III
Founder and CEO
ES3 Minerals, LLC