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

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

Case No. 25198

PREHEARING STATEMENT

Alpha Energy Partners II, LLC ("Alpha" or "Applicant"), affiliate successor in interest in the Subject Lands to Alpha Energy Partners, LLC ("Alpha") through its undersigned attorneys, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division ("Division") for the above-referenced case.

APPEARANCES

ATTORNEY

APPLICANT

Alpha Energy Partners, LLC

Darin C. Savage
Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.om
andrew@abadieschill.com
bill@abadieschill.com

INTERESTED PARTY MRC Permian Company

Michael H. Feldewert Adam G. Rankin Paula M. Vance Post Office Box 2208 Santa Fe, New Mexico 87504

Salita Pe, New Mexico 67304

(505) 988-4421 (505) 983-6043 Fax

mfeldewert@hollandandhart.com

pmvance@hollandandhart.com

APPLICANT'S STATEMENT OF CASE

In Case No. 25198, Alpha seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 317.15-acre, more or less, horizontal spacing unit comprised of Lot 2, SE/4 NW/4, and S/2 NE/4 (a/k/a S/2 N/2) of Section 19 and the S/2 N/2 of Section 20 in Township 22 South, Range 27 East, Eddy County, New Mexico.

- 1. Alpha is a working interest owner in the proposed horizontal spacing unit ("HSU") and has a right to drill a well thereon.
- 2. Alpha seeks to have the Division designate Paloma Permian AssetCo, LLC ("Paloma") (OGRID No. 332449) as the operator of the proposed horizontal wells and HSU.
- 3. Alpha proposes and dedicates to the HSU two (2) initial wells: **The Dude Fee 20-19 503H** and **The Dude Fee 20-19 553H** to be drilled to a sufficient depth to test the Bone Spring formation.
- 4. Alpha proposes **The Dude Fee 20-19 503H** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 20 to a bottom hole location of Lot 2 (SW/4 NW/4) of Section 19.
- 5. Alpha proposes **The Dude Fee 20-19 553H** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 20 to a bottom hole location of Lot 2 (SW/4 NW/4) of Section 19.

6. All the wells proposed herein are orthodox in their location, and the take points and completed intervals comply with setback requirements under the Division's statewide rules.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS | ESTIMATED TIME | EXHIBITS |
|---------|----------------|----------|
| | | |

Landman: Riley Morris Approx. 10 min Approx. 5

Geologist: Jason McClain Approx. 10 min Approx. 5

PROCEDURAL MATTERS

No party has formally objected to this case; therefore, Alpha plans to proceed by affidavit.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

William E. Zimsky

Andrew D. Schill

214 McKenzie Street

Santa Fe, New Mexico 87501

Telephone: 970.385.4401

Facsimile: 970.385.4901

darin@abadieschill.com

bill@abadieschill.com

andrew@abadieschill.com

Attorneys for Alpha Energy Partners II, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on March 6, 2025:

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrankin@hollandhart.com
pmvance@hollandhart.com

Attorneys for MRC Permian Company

/s/ Darin C. Savage

Darin C. Savage

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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

QUESTIONS

Action 439935

QUESTIONS

| Operator: | OGRID: |
|----------------------|--|
| AEP II Operating LLC | 332909 |
| P.O. Box 10701 | Action Number: |
| Midland, TX 79702 | 439935 |
| | Action Type: |
| | [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

| Testimony | | | |
|---|----|--|--|
| Please assist us by provide the following information about your testimony. | | | |
| Number of witnesses | 2 | | |
| Testimony time (in minutes) | 20 | | |