

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

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

**Case No. _____
Formerly Case No. 24944**

AMENDED APPLICATION

Alpha Energy Partners II, LLC (“Alpha” or “Applicant”), affiliate successor in interest in the Subject Lands to Alpha Energy Partners, LLC, hereby files this Amended Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in the Wolfcamp formation, designated as a gas pool, underlying a standard 1267.84-acres, more or less, horizontal spacing unit comprised of Section 17 and 18 in Township 22 South, Range 27 East, Eddy County, New Mexico. The Division docketed Alpha’s original application as Case No. 24944. This Amended Application is being submitted for the limited purpose of advising the Division and affected parties that Alpha has entered into a farmout agreement with Paloma Permian AssetCO, LLC (“Paloma”) by which Paloma, OGRID No. 332449, has the right to earn a portion of Alpha’s working interest in the Subject Lands by drilling, completing, and operating the proposed wells under the supervision of Alpha.

In support of its Application, Alpha states the following:

1. Alpha is a working interest owner in the proposed horizontal spacing unit (“HSU”) and has a right to drill a well thereon.

2. Therefore, Alpha proposes and dedicates to the HSU seven (7) initial wells: the **Hollywood Star 17-18 Fee 701H; Hollywood Star 17-18 Fee 702H; Hollywood Star 17-18 Fee 703H; Hollywood Star 17-18 Fee 704H; Hollywood Star 17-18 Fee 801H; Hollywood Star 17-18 Fee 802H;** and the **Hollywood Star 17-18 Fee 803H**, to be drilled to a sufficient depth to test the Wolfcamp.

3. Alpha proposes the **Hollywood Star 17-18 Fee 701H Well** to be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 16 to a bottom hole location in Lot 4 (SW/4SW/4) of Section 18.

4. Alpha proposes the **Hollywood Star 17-18 Fee 702H Well** to be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 16 to a bottom hole location in Lot 3 (NW/4SW/4) of Section 18.

5. Alpha proposes the **Hollywood Star 17-18 Fee 703H Well** to be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 16 to a bottom hole location in Lot 2 (SW/4NW/4) of Section 18.

6. Alpha proposes the **Hollywood Star 17-18 Fee 704H Well** to be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 16 to a bottom hole location in Lot 1 (NW/4NW/4) of Section 18.

7. Alpha proposes the **Hollywood Star 17-18 Fee 801H Well** to be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 16 to a bottom hole location in Lot 3 (NW/4SW/4) of Section 18.

8. Alpha proposes the **Hollywood Star 17-18 Fee 802H Well** to be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 16 to a bottom hole location in Lot 2 (SW/4NW/4) of Section 18. The **Hollywood Star 17-18 Fee 802H Well** is the proximity

well positioned so the unit can include proximity tracts, thereby allowing for the larger standard spacing unit.

9. Alpha proposes the **Hollywood Star 17-18 Fee 803H Well** to be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 16 to a bottom hole location in the Lot 1 (NW/4NW/4) of Section 18.

10. All the wells proposed herein are orthodox in their location, and the take points and completed intervals comply with setback requirements under the special rules for the Purple Sage, Wolfcamp pool, pursuant to Order No. R-14262.

11. Alpha's review of records did not show any overlapping units.

12. Alpha has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for their development within the proposed HSU.

13. The pooling of all interests in the Wolfcamp formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

14. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Alpha requests that all uncommitted interests in this HSU be pooled and that Paloma, OGRID No. 332449, be designated the operator of the proposed horizontal wells and HSU pursuant to the Farmout referenced herein.

15. On October 8, 2024, Alpha filed an Application to pool these uncommitted interests and the OCD docketed that Application as Case No. 24944.

16. On July 1, 2024, Alpha entered into a Farmout Agreement with Paloma, in which Paloma will receive a portion of Alpha's leasehold interest in the unit upon its fulfillment of certain

drilling and operational obligations, and therefore Paloma will be involved in the unit by drilling and operating the wells in compliance with Alpha's development plans.

WHEREFORE, Alpha requests that this Application be set for hearing on February 13, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying a standard 1267.84-acres, more or less, horizontal spacing unit comprised of Sections 17 and 18 in Township 22 South, Range 27 East, Eddy County, New Mexico;

B. Approving the **Hollywood Star 17-18 Fee 701H; Hollywood Star 17-18 Fee 702H; Hollywood Star 17-18 Fee 703H; Hollywood Star 17-18 Fee 704H; Hollywood Star 17-18 Fee 801H; Hollywood Star 17-18 Fee 802H;** and the **Hollywood Star 17-18 Fee 803H** as the wells for the HSU;

C. Designating Paloma as operator of this HSU and the horizontal wells to be drilled thereon;

D. Authorizing recovery of the costs of drilling, equipping, and completing the wells;

E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

F. Setting a 200% charge for the risk assumed in drilling and completing the wells in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

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Attorneys for Alpha Energy Partners, LLC

Amended Application of Alpha Energy Partners II, LLC, for Compulsory Pooling, Eddy County, New Mexico. Alpha Energy Partners II, LLC, affiliate successor to Alpha Energy Partners, LLC, (“Applicant”) in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Wolfcamp formation, designated as a gas pool, underlying a standard 1267.84-acre, more or less, horizontal spacing and proration unit comprised of the Sections 17 and 18 in Township 22 South, Range 27 East, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **Hollywood Star 17-18 Fee 701H Well** to be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 16 to a bottom hole location in Lot 4 (SW/4SW/4) of Section 18; the **Hollywood Star 17-18 Fee 702H Well** to be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 16 to a bottom hole location in Lot 3 (NW/4SW/4) of Section 18; the **Hollywood Star 17-18 Fee 703H Well** to be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 16 to a bottom hole location in Lot 2 (SW/4NW/4) of Section 18; the **Hollywood Star 17-18 Fee 704H Well** to be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 16 to a bottom hole location in Lot 1 (NW/4NW/4) of Section 18; the **Hollywood Star 17-18 Fee 801H Well** to be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 16 to a bottom hole location in Lot 3 (NW/4SW/4) of Section 18; the **Hollywood Star 17-18 Fee 802H Well** to be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 16 to a bottom hole location in Lot 2 (SW/4NW/4) of Section 18; and the **Hollywood Star 17-18 Fee 803H Well** to be horizontally drilled from a surface location in the NW/4SW/4 (Unit L) of Section 16 to a bottom hole location in the Lot 1 (NW/4NW/4) of Section 18. The **802H Well** is the proximity well, and proximity tracts will be utilized. All the proposed wells will be orthodox, and their take points and completed intervals will comply with the special rules for the Purple Sage, Wolfcamp pool pursuant to Order No. R-14262. Applicant will be designating Paloma Permian AssetCO, LLC, as the operator of the wells pursuant to the terms that certain Farmout Agreement entered into on July 1, 2024. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 1.5 miles south-southeast from Carlsbad, New Mexico.

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 in Case No. 24944, via electronic mail on January 14, 2025:

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