

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

**AMENDED APPLICATIONS OF ALPHA ENERGY
PARTNERS II, LLC FOR COMPLUSORY
POOLING, EDDY COUNTY, NEW MEXICO**

Case No. 25166

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 II, LLC

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OBJECTING PARTIES

Chief Capital (O&G) II, LLC
Covenant Hercules, LLC
Christian Capstone, LLC
Crusader Royalties, LLC

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INTERESTED PARTIES

Permian Resources Operating, LLC

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APPLICANT'S STATEMENT OF CASE

In Case No. 25166, Alpha seeks 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 was submitted for the purpose of advising the Division and affected parties that Alpha has entered into a farmout agreement with Paloma Permian AssetCO, LLC ("Paloma") pursuant to which Paloma, OGRID No. 332449, is the designated operator under the pooling application and development plan in Case No. 25166.

Alpha proposes and dedicates to the horizontal spacing unit 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 formation.

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.

APPLICANT’S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: John Coffman	Approx. 10 min	Approx. 5
Geologist: Jason McClain	Approx. 10 min	Approx. 5
Reservoir Engineer: Mark McCoy	Approx. 5 min	None
Drilling Engineer: Jaron Simon	Approx. 5 min	None

PROCEDURAL MATTERS

On February 19, 2025, Covenant Hercules, LLC, Christian Capstone, LLC, and Crusader Royalties, LLC (collectively “Covenant”) filed a Motion to Dismiss Case No. 25166. Covenant objects to Alpha’s Amended Application for Compulsory Pooling and moves to dismiss Case No. 25166 based on its position that it did not receive a well proposal in a timely manner. Covenant also has a title dispute with Alpha regarding the amount of ownership. Alpha submitted a Response to Covenant’s Motion explaining how and why notice for the hearing has been satisfied; explaining the extenuating circumstances surrounding the well proposal of which Covenant was aware; and explaining that since a title dispute is outside the jurisdiction of the Division, it should not delay

the contested hearing. Alpha requests that Covenant's Motion be addressed as a preliminary matter to the Hearing on March 4, 2025.

On February 19, 2025, Chief Capital (O&G) II, LLC ("Chief") filed a Motion to Dismiss Case No. 25166. Chief objects to Alpha's Amended Application for Compulsory Pooling and moves to dismiss Case No. 25166 based on its position that it did not receive a well proposal in a timely manner. Chief also has a title dispute with Alpha regarding the amount of ownership. Alpha submitted a Response to Chief's Motion explaining how and why notice for the hearing has been satisfied; explaining the extenuating circumstances surrounding the well proposal of which Chief was aware; and explaining that since a title dispute is outside the jurisdiction of the Division, it should not delay the contested hearing. Alpha requests that Chief's Motion be addressed as a preliminary matter to the Hearing on March 4, 2025.

On February 19, 2025, American Energy Resources, LLC ("American Energy") filed a Motion to Strike the Alpha's Amended Application for Compulsory Pooling. American Energy objects to and moves to strike Alpha's Amended Application for Compulsory Pooling based on its position that it did not receive notice to which it wrongly assumes it was entitled. Alpha submits that American Energy only owns a noncompliant and defunct wellbore as personal property in part of the unit with no leasehold or production rights that is in need of plugging and clean up. Alpha will file a response to American Energy's motion prior to the hearing and requests that the Motion to Strike be addressed as a preliminary matter to the Hearing on March 4, 2025.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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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 February 25, 2025:

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State of New Mexico
Energy, Minerals and Natural Resources
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QUESTIONS

Action 435354

QUESTIONS

Operator: AEP II Operating LLC P.O. Box 10701 Midland, TX 79702	OGRID: 332909
	Action Number: 435354
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	4
Testimony time (in minutes)	30