

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

**APPLICATION OF ALPHA ENERGY
PARTNERS II, LLC, TO POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-23006,
EDDY COUNTY, NEW MEXICO**

**Case No. 25185
Order No. R-23006**

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

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INTERESTED PARTY
MRC Permian Company

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APPLICANT'S STATEMENT OF CASE

In Case No. 25185, Alpha seeks an order for the specific purpose of (1) pooling additional uncommitted mineral interests under the terms of Division Order No. R-23006 (the "Order") which pooled uncommitted interest in the Wolfcamp formation underlying a 634.36-acres, more or less, standard horizontal spacing unit comprised of the S/2 of Sections 19 and 20, Township 22 South, Range 27 East, Eddy County, New Mexico ("Subject Lands" under the Order); (2) 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; and (3) providing notice for and approving wells which have undergone certain name changes and adjustments.

1. The Dude 19/20 Fee 203H Well, with a proposed surface hole location (SHL) in the SW/4 SW/4 (Unit M) of Section 21 to a bottom hole location (BHL) in the NW/4 SW/4 (Unit L) of Section 19, has been renamed and revised as **The Dude 20-19 Fee 702H**, which has an adjusted SHL in the SE/4 NE/4 (Unit H) and same quarter-quarter section, Lot 3 (NW/4 SW/4) (Unit L) for its BHL, the FTP and LTP being the NE/4 SE/4 (Unit I) and Lot 3 (Unit L), respectively; the 702H remains orthodox; this well is re-dedicated to the spacing unit as The Dude 20-19 Fee 702H Well as an initial well.

2. The Dude 19/20 Fee 204H Well, with a proposed SHL in the SW/4 SW/4 (Unit M) of Section 21 to a BHL in Lot 4 (SW/4 SW/4) (Unit M) of Section 19, has been renamed and revised as **The Dude 20-19 Fee 701H Well**, which has an adjusted SHL in the SE/4 NE/4 (Unit H) and maintains the same quarter-quarter section (Lot 4, Unit M of Sec. 19) for its BHL; the 701H remains orthodox; this well is re-dedicated to the spacing unit as The Dude 20-19 Fee 701H Well as an initial well.

3. Alpha and Paloma have also updated their well proposals, the updates sent on October 31, 2024, to working interest owners in the unit, to include the 701H and 702H Wells and to propose one additional well for the lower part of the Wolfcamp formation: **The Dude 20-19 Fee 801H Well** with a SHL located in the SE/4 NE/4 (Unit H) of Section 20 and a BHL located in Lot 3 (NW/4 SW/4) (Unit L) of Section 19; the 801H Well is added and dedicated to the unit as an initial well, along with the 701H and 702H Wells. The completed interval of the 801H Well is orthodox.

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

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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 March 6, 2025:

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

QUESTIONS

Action 439925

QUESTIONS

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| Operator: AEP II Operating LLC P.O. Box 10701 Midland, TX 79702 | OGRID: 332909 |
| | Action Number: 439925 |
| | Action Type: [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

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