

**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. _____

APPLICATION

Alpha Energy Partners II, LLC, as Applicant (“Alpha” or “Applicant”), in conjunction with Paloma Permian AssetCo (“Paloma”), OGRID No. 332449, as the designated operator, through its undersigned attorneys, hereby files this 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 Bone Spring formation, designated as an oil pool, underlying a standard 317.08-acre, more or less, horizontal spacing unit comprised of the S/2 S/2 of Sections 17 and 18 in Township 22 South, Range 27 East, Eddy County, New Mexico.

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. Paloma (OGRID No. 332449) is the designated operator for drilling and operating the wells proposed herein.
2. Alpha proposes and dedicates to the HSU the **Hollywood Star 17-18 Fee 501H Well** and the **Hollywood Star 17-18 Fee 551H Well**, as the initial wells, to be drilled to a sufficient depth to test the Bone Spring.
3. Alpha proposes the **Hollywood Star 17-18 Fee 501H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom

hole location in Lot 4 (SW/4 SW/4) of Section 18.

4. Alpha proposes the **Hollywood Star 17-18 Fee 551H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in Lot 4 (SW/4 SW/4) of Section 18.

5. The wells proposed herein are orthodox in their location, and the take points and completed intervals comply with setback requirements under statewide rules.

6. A good-faith review of records did not show any overlapping units.

7. 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.

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

9. 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.

WHEREFORE, Alpha requests that this Application be set for hearing on August 7, 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 Bone Spring formation underlying a standard 317.08-acres, more or less, horizontal spacing unit comprised of the S/2 S/2 of Sections 17 and 18 in Township 22 South, Range 27 East, Eddy County, New Mexico;

B. Approving the **Hollywood Star 17-18 Fee 501H Well** and the **Hollywood Star 17-**

18 Fee 551H Well 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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Application of Alpha Energy Partners II, LLC, for Compulsory Pooling, Eddy County, New Mexico. Alpha Energy Partners II, LLC, as the Applicant, (“Alpha” or “Applicant”), in conjunction with Paloma Permian AssetCo (“Paloma”), OGRID No. 332449, as the designated operator, seeks an order from the Division in the above-styled cause pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 317.08-acre, more or less, horizontal spacing and proration unit comprised of the S/2 S/2 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 501H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in Lot 4 (SW/4 SW/4) of Section 18; and the **Hollywood Star 17-18 Fee 551H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 16 to a bottom hole location in Lot 4 (SW/4 SW/4) of Section 18. The proposed wells will be orthodox, and their take points and completed intervals will comply with statewide rules. Applicant will be designating Paloma Permian AssetCO, LLC, as the operator of the wells and unit. 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.