

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

**APPLICATION OF PRIDE ENERGY COMPANY
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

CASE NO. _____

APPLICATION

Pride Energy Company ("Applicant") files this application with the Oil Conservation Division (the "Division") for an order pooling all uncommitted mineral interest owners in the Wolfbone formation (Scharb; Wolfbone Pool/Pool Code 98397) underlying a horizontal spacing unit comprised of the W/2W/2 of Section 12 and the W/2W/2 of Section 13, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico (the "Unit). In support of this application, Applicant states:

1. Applicant is an interest owner in the Unit, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the Go State Com. Well No. 401H in the Unit to a depth sufficient to test the Wolfbone formation, The first take point will be in the SW/4SW/4 of Section 13 and the last take point will be in the NW/4NW/4 of Section 12.
3. Although Applicant has in good faith sought to obtain voluntary joinder of all other mineral interest owners in the Unit to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to commit their interests. Therefore, Applicant seeks an order pooling all uncommitted mineral interest owners in the Wolfbone formation underlying the Unit, pursuant to NMSA 1978 Sec. 70-2-17.

4. Due to a depth severance in the Unit, the Division will consider the allocation of production between the Third Bone Spring Sand and the Wolfcamp A Shale within the Wolfbone pool.

5. The pooling of all uncommitted mineral interest owners in the Wolfbone formation underlying the Unit will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division, and, after notice and hearing, the Division issue its order:

- A. Pooling all uncommitted mineral interest owners in the Wolfbone formation (Scharb; Wolfbone Pool) underlying the Unit;
- B. Designating Applicant as operator of the well and the Unit;
- C. Considering the cost of drilling, completing, testing, and equipping the well, and allocating the cost thereof among the well's working interest owners pursuant to an allocation formula approved by the Division;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, testing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
Phone: (505) 982-2043
Cell: (505) 660-6612
jamesbruc@aol.com

Attorney for Pride Energy Company