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2006 APR 10 PM 2 58

Case 13703

April 10, 2006

Hand Delivered

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Pride Energy Company, are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the May 11, 2006 Examiner hearing. Thank you.

A pre-hearing statement is also enclosed.

Very truly yours,


James Bruce

Attorney for Pride Energy Company

PERSONS BEING POOLED

1. Bank of America, N.A., Successor Trustee
of the Testamentary Trust under the Will of M. H. McGrail, deceased
2100 South Utica Ave., Suite 150
Tulsa, OK 74114-1436
2. International Oil & Mining Co.
24509 Apple Street
Newhall, CA 91321-3534
3. The following heirs of Myrtle Houghton :
Agnes Houghton, as separate property
Charles A. Houghton, as separate property
Blanche Van Winkle, as separate property
Gladys Wilson, as separate property
Virgil W. Houghton, as separate property
c/o Martha Houghton
3311 E. Fairview
Spokane, WA 99267
4. Roca Resource Company
P.O. Box 1981
Midland, TX 79702
5. First Roswell Company, Ltd.
P.O. Box 1797
Roswell, NM 88202
6. J. W. Hill
Address unknown
7. Kenneth G. Cone
P.O. Box 11310
Midland, TX 79702
8. Bank of Oklahoma, N. A., Trustee F/B/O the
children of Tom R. Cone U/W/O Kathleen Cone
P.O. Box 3499
Tulsa, OK 74101
9. Kenneth G. Cone, Trustee F/B/O the
children of Kenneth G. Cone U/W/O Kathleen Cone
P.O. Box 11310
Midland, TX 79702
10. The Long Trusts
P.O. Box 3096
Kilgore, TX 75663

11. Billy Glenn Spradlin
29 Rim Road
Kilgore, TX 75662-2228
12. Conquistador Council of Boy Scouts of America
1325 West Walnut Hill Lane
P.O. Box 152079
Irving, TX 75015-2079
13. Board of Regents of New Mexico Military Institute
101 W. College Blvd.
Roswell, NM 88201-5173
14. The Blanco Company
P.O. Box 2168
Santa Fe, NM 87504
15. Chisos, Ltd.
1221 Lamar, Suite 1600
Houston, TX 77010
16. Pure Energy Group, Inc.
Suite 200
153 Treeline Park
San Antonio, TX 78209
17. Edge Petroleum Exploration Company
Suite 2000
1301 Travis
Houston, TX 77002
Attn: R. Keith Turner
18. Chaucer K. Francis
P.O. Box 476
Hugo, OK 74743
19. Theldon Scott Parrett
1511 Highway 485
Jemez Springs, NM 87025
20. Carl Eugene Parrett & Kathy Parrett
515 Courtney Lane
Globe, AZ 85501
21. Larry Bruce Parrett
140 Stubborn Pine Road
Jemez Springs, NM 87025
22. Roy Dean Parrett
P.O. Box 43
Bon, WA 98232

assetting
assist

Handwritten initials: JPH

23. The Heirs or Successors of Ruby Kralowetz
c/o Roy Dean Parrett
P.O. Box 43
Bon, WA 98232

24. James H. Conley a/k/a James Conley
385 Forest Hills Way, NW
Salem, OR 97304

25. The Heirs of Eunice Conley
c/o James Conley
385 Forest Hills Way, NW
Salem, OR 97304

26. Beverly Downing
1512 Crestmar Place
Fort Collins, CO 80521

27. Donovan C. Cammack
2025 N. College Ave., #160
Fort Collins, CO 80524

28. Dorothy Cammack
2211 W. Mulberry St.
Fort Collins, CO 80521-6021

29. The Heirs or Successors of Agnes Houghton
c/o Dorothy Cammack
2211 W. Mulberry St.
Fort Collins, CO 80521-6021

30. The Heirs or Successors of Blanche Van Winkle
c/o Dorothy Cammack
2211 W. Mulberry St.
Fort Collins, CO 80521-6021

31. The Heirs of Myrtle Houghton
c/o Dorothy Cammack
2211 W. Mulberry St.
Fort Collins, CO 80521-6021

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

2006 APR 10 PM 2 58
Case No. 13703

APPLICATION

Pride Energy Company applies for an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the N $\frac{1}{2}$ of Section 13, Township 11 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the N $\frac{1}{2}$ of Section 13, and has the right to drill a well thereon.
2. Applicant proposes to drill the Inbe "13" Well No. 1, at an orthodox location in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 13, to a depth sufficient to test the Mississippian formation, and seeks to dedicate the following acreage to the well:
 - (a) the SW $\frac{1}{4}$ NE $\frac{1}{4}$ to form a standard 40 acre oil and spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent;
 - (b) the W $\frac{1}{2}$ NE $\frac{1}{4}$ to form a standard 80 acre oil and spacing and proration unit for any formations and/or pools developed on 80 acre spacing within that vertical extent, including the Inbe Permo-Pennsylvanian Pool;
 - (c) the NE $\frac{1}{4}$ to form a standard 160 acre gas spacing and proration unit for any formations and/or pools developed on 160 acre spacing within that vertical extent; and
 - (d) the N $\frac{1}{2}$ to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N $\frac{1}{2}$ of Section 13 for the purposes set forth herein.

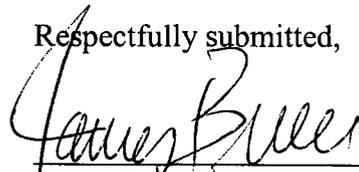
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the N½ of Section 13, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the N½ of Section 13 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the N½ of Section 13, from the surface to the base of the Mississippian formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Setting a 200% charge for the risk involved in drilling and completing 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
(505) 982-2043

Attorney for Pride Energy Company

PROPOSED ADVERTISEMENT

Case No. 13703 : **Application of Pride Energy Company for compulsory pooling, Lea County, New Mexico:** Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the following described acreage in Section 13, Township 11 South, Range 33 East, N.M.P.M., and in the following manner: The N/2 to form a standard 320 acre gas spacing and proration unit for all formations developed on 320 acre spacing within that vertical extent; the NE/4 to form a standard 160 acre gas spacing and proration unit for all formations developed on 160 acre spacing within that vertical extent; the W/2NE/4 to form a standard 80-acre oil spacing and proration unit for all formations or pools developed on 80 acre spacing within that vertical extent, including the Inbe Permo-Pennsylvanian Pool; and the SW/4NE/4 to form a standard 40-acre oil spacing and proration unit for all formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Inbe "13" Well No. 1, to be located at an orthodox well location in the SW/4NE/4 of the section. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 8-1/2 miles east-southeast of Caprock, New Mexico.

2006 APR 10 PM 2 58