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August 18, 2009

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 was previously e-mailed to the Division. Please set this matter for the September 17, 2009 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Pride Energy Company

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Case 143854

PERSONS BEING POOLED

Moore Trust
Moore Family Trust
P.O. Box 51570
Midland, Texas 79710

Moore Trust
Moore Family Trust
P.O. Box 94077
Southlake, Texas 76092

Michael Harrison Moore 2006 Trust
P.O. Box 51570
Midland, Texas 79710

Richard Lyons Moore 2006 Trust
1150 North Carroll Avenue
Southlake, Texas 76092

Estate of June D. Speight
c/o Sproles Woodward, LLP
Attention: Bob Duke
Suite 3250
777 Main Street
Fort Worth, Texas 76102

Mercantile Trading Corporation
Suite 102
1501 Dragon Street
Dallas, Texas 75207

Carl Schellinger
P.O. Box 447
Roswell, New Mexico 88202

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED OGD

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

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Case No. 14384

APPLICATION

Pride Energy Company applies for an order pooling all mineral interests from the surface to the base of the *Wolfcamp* Strawn formation underlying the SE $\frac{1}{4}$ of Section 19, Township 16 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the SE $\frac{1}{4}$ of Section 19, and has the right to drill a well thereon.
2. Applicant proposed the West Lovington "19" State Well No. 1, located 2310 feet from the south line and 330 feet from the east line of Section 19, to test the Strawn formation, and seeks to dedicate the SE $\frac{1}{4}$ of Section 19 to the well to form a standard 160 acre oil spacing and proration unit for any formations and/or pools developed on 160 acre spacing within that vertical extent, including the North Shoobar-Wolfcamp Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SE $\frac{1}{4}$ of Section 19 for the purposes set forth herein.
4. Applicant seeks an order pooling all mineral interest owners in the SE $\frac{1}{4}$ of Section 19, pursuant to NMSA 1978 §70-2-17.
5. The pooling of all mineral interests underlying the SE $\frac{1}{4}$ of Section 19 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 SE¼ of Section 19, from the surface to the base of the Strawn formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of re-entering 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; and
- F. Providing for the drilling of an infill 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. 14384 :

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 Strawn formation underlying the SE/4 of Section 19, Township 16 South, Range 36 East, NMPM, to form a standard 160-acre oil spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent, including the North Shoebar-Wolfcamp Pool. The unit is to be designated to the West Lovington "19" State Well No. 1, located 2310 feet from the south line and 330 feet from the east line of Section 19. 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 unit is located approximately 3 miles south-southwest of Lovington, New Mexico.

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