

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

**APPLICATION OF PRIDE ENERGY COMPANY  
FOR COMPULSORY POOLING AND  
OVERLAPPING SPACING UNIT,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. \_\_\_\_\_**

**APPLICATION**

Pursuant to NMSA 1978, Section 70-2-17, Pride Energy Company (OGRID No. 151323) (“Pride” or “Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard, overlapping horizontal spacing unit comprised of Lots 1, 2, the S/2 NE/4 and the SE/4 (E/2 equivalent) of irregular Section 4, and the E/2 of Section 9, Township 24 South, Range 34 East, Lea County, New Mexico (“Unit”). In support of this application, Pride states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the following wells (“Wells”):
  - a. **Red Hills Fed Com 91H, Red Hills Fed Com 101H, and Red Hills Fed Com 201H** wells, which will be drilled from surface hole locations in Lot 2 (NW/4 NE/4 equivalent) of irregular Section 4 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 9; and
  - b. **Red Hills Fed Com 92H, Red Hills Fed Com 102H, Red Hills Fed Com 202H, and Red Hills Fed Com 203H** wells, which will be drilled from surface hole locations in Lot 2 (NW/4 NE/4 equivalent) of irregular Section 4 to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 9.
3. The completed intervals of the Wells will be orthodox.

4. The completed interval of the **Red Hills Fed Com 202H** well will be located within 330' of the quarter-quarter section line and allow for incorporation of the adjacent tracts to form a standard, 640-acre proximity tract spacing unit.

5. The Unit will partially overlap with the spacing unit of the Picasso Federal #002H well (API No. 30-025-41905), which produces from the Red Hills; Bone Spring, North Pool (Code 96434).

6. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

7. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated as the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 8, 2026, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;

- E. Approving the actual operating charged and costs of supervision while drilling and after completion, together with a provision adjusting the rated pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HARDY MCLEAN LLC

*/s/ Dana S. Hardy*

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