

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

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

Case No. _____

APPLICATION

Pride Energy Company, OGRID No. 151323 (“Pride” or “Applicant”), files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Wolfcamp formation (WC BURTON FLAT UPPER WOLFCAMP, EAST [98315]) in a standard 640-acre, more or less, horizontal spacing and proration unit (“HSU”), with proximity tracts, comprised of the N/2 of Sections 29 and 30, all in Township 20 South, Range 28 East, in Eddy County, New Mexico. In support of its application, Pride states as follows:

1. Pride is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Pride proposes to drill the following 2-mile wells in the proposed HSU:
 - **Burton Flat 29-30 Federal State Com #401H** well, to be horizontally drilled from a surface hole location in the E/2 NE/4 of Section 29, T20S-R28E, to a bottom hole location in the NW/4 NW/4 of Section 30, T20S-R28E.
 - **Burton Flat 29-30 Federal State Com #402H** well, to be horizontally drilled from a surface hole location in the E/2 NE/4 of Section 29, T20S-R28E, to a bottom hole location in the SW/4 NW/4 of Section 30, T20S-R28E.

3. The WC BURTON FLAT UPPER WOLFCAMP, EAST [98315] pool is an oil pool.

4. The **Burton Flat 29-30 Federal State Com #401H** is a proximity well.

5. Pride has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

6. Approval of the HSU and the pooling of all mineral interest owners in the Wolfcamp formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to permit Pride to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Pride should be designated the operator of the HSU.

WHEREFORE, Pride requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 7, 2023 docket and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 640-acre, more or less, HSU comprised of the N/2 of Sections 29 and 30, all in Township 20 South, Range 28 East, in Eddy County, New Mexico;

B. Pooling all mineral interests in the Wolfcamp formation underlying the HSU;

C. Allowing the drilling of the following 2-mile wells in the HSU: (1) Burton Flat 29-30 Federal State Com #401H well; and (2) Burton Flat 29-30 Federal State Com #402H well;

D. Designating Pride as operator of the HSU and the wells to be drilled thereon;

E. Authorizing Pride to recover its costs of drilling, equipping and completing the wells;

F. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% penalty for the risk assumed by Pride in drilling and completing the wells against any interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

Samantha H. Catalano

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 986-2678

sshaheen@montand.com

scatalano@montand.com

[ec: wmcginnis@montand.com](mailto:wmcginnis@montand.com)

Attorneys for Pride Energy Company

Application of Pride Energy Company for Compulsory Pooling, Eddy County, New Mexico.

Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Wolfcamp formation (WC BURTON FLAT UPPER WOLFCAMP, EAST [98315]) in a standard 640-acre, more or less, horizontal spacing and proration unit ("HSU"), with proximity tracts, comprised of the N/2 of Sections 29 and 30, all in Township 20 South, Range 28 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile wells in the HSU: (1) **Burton Flat 29-30 Federal State Com #401H** well, to be horizontally drilled from a surface hole location in the E/2 NE/4 of Section 29, T20S-R28E, to a bottom hole location in the NW/4 NW/4 of Section 30, T20S-R28E; and (2) **Burton Flat 29-30 Federal State Com #402H** well, to be horizontally drilled from a surface hole location in the E/2 NE/4 of Section 29, T20S-R28E, to a bottom hole location in the SW/4 NW/4 of Section 30, T20S-R28E. Applicant will seek administrative approval of a non-standard spacing unit. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the wells and allocation of such costs, the designation of Applicant as operator of the HSU and wells to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 7 miles North of Carlsbad, New Mexico.