

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

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

Case No. _____

AMENDED APPLICATION

Pride Energy Company, (“Pride”), OGRID No. 151323, through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and Samantha H. Catalano), hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17 (1977), seeking an order pooling all uncommitted mineral interests in the Bone Spring formation (Tonto; Bone Spring [59475]) in a standard 240-acre, more or less, horizontal spacing unit (“HSU”) comprised of the W/2 E/2 of Section 16 and the W/2 NE/4 of Section 21, all in Township 19 South, Range 33 East, Lea County, New Mexico. In support of its application, Pride states as follows:

1. In Case No. 22879, Pride previously filed an application seeking to pool the uncommitted mineral interest owners in a 160-acre HSU comprised of the W/2 E/2 of Section 16, Township 19 South, Range 33 East, Lea County, New Mexico. Case No. 22879 is currently set for a contested hearing on March 16, 2023, along with Pride’s companion application in Case No. 22880 and competing applications filed by Mewbourne Oil Company in Case Nos. 23176-23179. *See generally* Amended Pre-Hearing Order, Nos. 22879-22880, 23176-23179 (Dec. 2, 2022) (“Amended Pre-Hearing Order”). Pride files this amended application now seeking to pool uncommitted interests in the 240-acre HSU proposed herein.

2. Pride is a working interest owner in the proposed HSU and has the right to drill thereon.

3. Pride proposes to drill the **Tonto 16-21 State Federal Com. Well No. 201H** to a depth sufficient to test the Bone Spring formation and to dedicate the HSU thereto. The well will have a first take point in the NW/4 NE/4 of Section 16 and a last take point in the SW/4 NE/4 of Section 21, all in Township 19 South, Range 33 East.

4. Pride has in good faith sought and been unable to obtain the voluntary joinder of all other mineral interest owners in the HSU for the development of these minerals.

5. The pooling of all uncommitted mineral interest owners in the proposed HSU will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. 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 amended application be set for hearing before an examiner of the Oil Conservation Division on the March 2, 2023 docket. Pride will file a motion to substitute and a motion for continuance to add this amended application to the Pre-Hearing Order for hearing on March 16, 2023. *See generally* Amended Pre-Hearing Order. Pride further requests that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 240-acre, more or less, horizontal spacing and proration unit comprised of the W/2 E/2 of Section 16 and the W/2 NE/4 of Section 21, all in Township 19 South, Range 33 East, in Lea County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the HSU;

- C. Allowing the drilling of the **Tonto 16-21 State Federal Com. Well No. 201H** in the proposed HSU;
- D. Designating Pride as operator of the HSU and the well(s) to be drilled thereon;
- E. Authorizing Pride to recover its costs of drilling, equipping, and completing;
- F. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- G. Setting a 200% charge for the risk assumed by Pride in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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Application of Pride Energy Company for compulsory pooling, Lea County, New Mexico.

Pride Energy Company seeks an order pooling all uncommitted mineral interest owners in the Bone Spring formation (Tonto; Bone Spring [59475]) in a horizontal spacing unit underlying the W/2 E/2 of Section 16 and the W/2 NE/4 of Section 21, all in Township 19 South, Range 33 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Tonto 16-21 State Federal Com. Well No. 201H, a horizontal well with a first take point in the NW/4 NE/4 of Section 16 and a last take point in the SW/4 NE/4 of Section 21, all in Township 19 South, Range 33 East. Also to be considered will be the cost of drilling, completing, and equipping 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, completing, and equipping the well. The unit is located approximately 9 miles northeast of Halfway, New Mexico.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record, by electronic mail on January 11, 2023:

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