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June 24, 2014

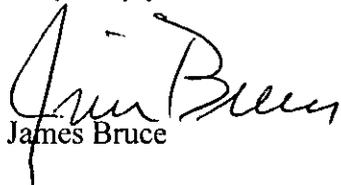
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 15177

Dear Florene:

Enclosed for filing, on behalf of Pride Energy Company, are an original and one copy of an application for compulsory pooling, *etc.*, together with a proposed advertisement. The advertisement was previously e-mailed to the Division. Please set this matter for the July 24, 2014 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Pride Energy Company

PERSONS BEING POOLED

COG Operating LLC
Concho Oil & Gas LLC
One Concho Center
600 West Illinois
Midland, Texas 79701

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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**APPLICATION OF PRIDE ENERGY COMPANY
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT, FOUR UNORTHODOX OIL
WELL LOCATIONS, AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

Case No. 15177

APPLICATION

Pride Energy Company applies for an order (i) approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of all of Section 13, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, (ii) approving four unorthodox oil well locations, and (iii) pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in Section 13, and has the right to drill wells thereon.
2. Applicant proposes to drill the following wells in Section 13 to a depth sufficient to test the Bone Spring formation:
 - (a) The Snyder 13 State Well No. 1H, a horizontal well with a surface location 330 feet from the north line and 660 feet from the east line, and an unorthodox terminus 330 feet from the south line and 660 feet from the east line, of Section 13;
 - (b) The Snyder 13 State Well No. 2H, a horizontal well with a surface location 330 feet from the north line and 1980 feet from the east line, and an unorthodox terminus 330 feet from the south line and 1980 feet from the east line, of Section 13;

(c) The Snyder 13 State Well No. 3H, a horizontal well with a surface location 330 feet from the north line and 1980 feet from the west line, and an unorthodox terminus 330 feet from the south line and 1980 feet from the west line, of Section 13; and

(d) The Snyder 13 State Well No. 4H, a horizontal well with a surface location 330 feet from the north line and 660 feet from the west line, and an unorthodox terminus 330 feet from the south line and 660 feet from the west line, of Section 13.

3. Applicant seeks to dedicate all of Section 13 to the wells to form a non-standard 640 acre oil spacing and proration unit (project area) for all pools or formations developed on 40 or 80 acre spacing, and all of the wells will be dedicated thereto.

4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in Section 13 for the purposes set forth herein.

5. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in Section 13, pursuant to NMSA 1978 §§70-2-17, 18.

6. Approval of the non-standard unit and unorthodox locations, and the pooling of all mineral interests underlying 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. Approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of all of Section 13;

- B. Pooling all mineral interests in the Bone Spring formation underlying all of Section 13;
- C. Approving the four unorthodox oil well locations;
- D. Designating applicant as operator of the wells;
- E. Considering the cost of drilling and completing the well, and allocating the cost among the wells' working interest owners;
- 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 involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

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. 15177 :

Application of Pride Energy Company for a non-standard oil spacing and proration unit, four unorthodox oil well locations, and compulsory pooling, Lea County, New Mexico. Pride Energy Company seeks an order approving a 640-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of all of Section 13, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit (project area) for any pools or formations developed on 40 or 80 acre spacing within that vertical extent. The unit will be dedicated to:

- (a) The Snyder 13 State Well No. 1H, a horizontal well with a surface location 330 feet from the north line and 660 feet from the east line, and an unorthodox terminus 330 feet from the south line and 660 feet from the east line, of Section 13;
- (b) The Snyder 13 State Well No. 2H, a horizontal well with a surface location 330 feet from the north line and 1980 feet from the east line, and an unorthodox terminus 330 feet from the south line and 1980 feet from the east line, of Section 13;
- (c) The Snyder 13 State Well No. 3H, a horizontal well with a surface location 330 feet from the north line and 1980 feet from the west line, and an unorthodox terminus 330 feet from the south line and 1980 feet from the west line, of Section 13; and
- (d) The Snyder 13 State Well No. 4H, a horizontal well with a surface location 330 feet from the north line and 660 feet from the west line, and an unorthodox terminus 330 feet from the south line and 660 feet from the west line, of Section 13.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 10 miles south of Buckeye, New Mexico.

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