

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-101  
Revised June 10, 2003

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

|                                                                                            |                            |                            |
|--------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| Operator Name and Address<br>Pride Energy Company<br>PO Box 701602<br>Tulsa, OK 74170-1602 |                            | OGRIID Number<br>151323    |
|                                                                                            |                            | API Number<br>30-025-01838 |
| Property Code<br>32545                                                                     | Property Name<br>State "X" | Well No.<br>1              |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E             | 12      | 12 S     | 34 E  |         | 1980          | North            | 660           | West           | Lea    |

Proposed Bottom Hole Location If Different From Surface

| UL or lot no.                               | Section | Township | Range | Lot Idn | Feet from the                      | North/South line | Feet from the | East/West line | County |
|---------------------------------------------|---------|----------|-------|---------|------------------------------------|------------------|---------------|----------------|--------|
| Proposed Pool 1<br>Four Lakes Mississippian |         |          |       |         | Proposed Pool 2<br>Four Lakes Penn |                  |               |                |        |

|                     |                           |                            |                       |                                  |
|---------------------|---------------------------|----------------------------|-----------------------|----------------------------------|
| Work Type Code<br>E | Well Type Code<br>G       | Cable/Rotary<br>R          | Lease Type Code<br>S  | Ground Level Elevation<br>4138.4 |
| Multiple<br>No      | Proposed Depth<br>12,400' | Formation<br>Mississippian | Contractor<br>Unknown | Spud Date<br>ASAP                |

Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth  | Secks of Cement | Estimated TOC |
|-----------|-------------|--------------------|----------------|-----------------|---------------|
| 17 1/2"   | 13 3/8"     | 48#                | 389' in place  | 325 sk          | Circulated    |
| 12 1/4"   | 9 5/8"      | 36#                | 4307' in place | 1700 sk         | Circulated    |
| 8 1/2"    | 5 1/2"      | 17# & 20#          | 0 to 12,400'   | 1000 sk         | T.O.C. 8000'  |

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.  
Describe the blowout prevention program, if any. Use additional sheets if necessary.

(See attached)

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway  
Re-Entry

|                                                                                                                                                                                                                                                                                                                                                                          |  |                                                                                                                                                                               |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>Signature: <i>John W. Pride</i><br>Printed name: John W. Pride<br>Title: President of Pride Oil & Gas Co., Inc., as General Partner of Pride Energy Company<br>E-mail Address: johnp@pride-energy.com<br>Date: February 2, 2006<br>Phone: 918-524-9200 |  | OIL CONSERVATION DIVISION<br>Approved by: <i>[Signature]</i><br>Title: <i>PETROLEUM ENGINEER</i><br>Approval Date: FEB 08 2006<br>Expiration Date:<br>Conditions of Approval: |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

CASE NUMBER  
EXHIBIT NUMBER 3

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
May 27, 2004

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

|                                                                                     |                          |                            |
|-------------------------------------------------------------------------------------|--------------------------|----------------------------|
| Operator Name and Address<br>Pride Energy Company, P.O. Box 701950, Tulsa, OK 74170 |                          | OGRID Number<br>151323     |
| Property Code<br>32545                                                              | Property Name<br>State X | API Number<br>30-025-37800 |
| Proposed Pool 1<br>Four Lakes Austin South                                          |                          | Proposed Pool 2            |

**Surface Location**

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N             | 12      | 12S      | 34E   | N       | 660'          | South            | 1,980'        | West           | Lea    |

**Proposed Bottom Hole Location If Different From Surface**

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

**Additional Well Information**

|                                                                                                                                                                                                                                                                                                        |                          |                                        |                          |                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------------------|--------------------------|-------------------------------------|
| Work Type Code<br>New Well                                                                                                                                                                                                                                                                             | Well Type Code<br>Gas    | Cable/Rotary<br>Rotary                 | Lease Type Code<br>State | Proposed Level Elevation<br>4,138   |
| Multiple<br>N                                                                                                                                                                                                                                                                                          | Proposed Depth<br>12,600 | Formation<br>Mississippi Limestone     | Cement<br>9              | Spud Date<br>ASAP                   |
| Depth to Groundwater                                                                                                                                                                                                                                                                                   |                          | Distance from nearest fresh water well |                          | Distance from nearest surface water |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume: 14,366 bbls Drilling Method: Fresh Water <input type="checkbox"/> Mud <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> |                          |                                        |                          |                                     |
| Closed-Loop System <input type="checkbox"/>                                                                                                                                                                                                                                                            |                          |                                        |                          |                                     |

**Proposed Casing and Cement Program**

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 14.75"    | 11.75"      | 42                 | 400           | 450             | 0             |
| 11"       | 8.625"      | 24 & 32            | 4200          | 1850            | 0             |
| 7.875"    | 5.5"        | 17                 | 12600         | 2700            | 3700          |

**Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.**

Pride Energy Company proposes to drill/test the Mississippian and intermediate formations. Approximately 400' of surface casing will be set/cemented. Intermediate casing will be set @ 4200', cement circulated to the surface. If commercial, production casing will be run/cemented; will perforate/stimulate as needed for production. MUD PROGRAM: 0-400' - FW/Spud Mud; 400' - 2150' - Fresh Water; 2150' - 4200' Red Bed Mud/Oil; 4200' - 7700' - Cut Brine; 7600' - 11615' - Salt Gel/Oil/Starch; 11615' - TD - SW/Starch/4% KCL.

**Proposed Blowout Prevention Program**

|                    |                          |                       |              |
|--------------------|--------------------------|-----------------------|--------------|
| Type<br>Double Ram | Working Pressure<br>5000 | Test Pressure<br>5000 | Manufacturer |
|--------------------|--------------------------|-----------------------|--------------|

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCB guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: John W. Pride  
Title: Pres. of Pride Oil & Gas Co., Inc., as Gen. Partner of Pride Energy Company  
E-mail Address: johnp@pride-energy.com  
Date: 4/7/06  
Phone: 918-524-9200

**OIL CONSERVATION DIVISION**

Approved by:

Title:

Approval APR 20 2006

Conditions of Approval Attached ☐

PETROLEUM ENGINEER

OIL CONSERVATION DIVISION

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway

CASE NUMBER

EXHIBIT NUMBER

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