

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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

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

Case No. \_\_\_\_\_

**VERIFIED STATEMENT OF MATTHEW L. PRIDE**

Matthew L. Pride, being duly sworn upon his oath, deposes and states:

1. I am a landman for Pride Energy Company, and have personal knowledge of the matters stated herein.

2. Pursuant to Division Rule 1207.A(1)(b), the following information is submitted in support of the compulsory pooling application filed herein:

(a) No opposition to this case is expected because the interest owners have been contacted regarding the proposed well, and have simply not decided whether to join in the well.

(b) A plat outlining the lands being pooled, and marking the location of the subject well, is attached hereto as Exhibit A. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the following described acreage in Section 25, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico:

(i) the NW $\frac{1}{4}$ NE $\frac{1}{4}$  to form a standard 40 acre oil and spacing and proration unit for any formations and/or pools developed on 40 acre spacing;

(ii) the W $\frac{1}{2}$ NE $\frac{1}{4}$  to form a standard 80 acre oil and spacing and proration unit for any formations and/or pools developed on 80 acre spacing, including the Inbe Permo-Pennsylvanian Pool;

(iii) the NE $\frac{1}{4}$  to form a standard 160 acre gas spacing and proration unit for any formations and/or pools developed on 160 acre spacing; and

(iv) the E $\frac{1}{2}$  to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing.

Oil Conservation Division  
Case No. 13831  
Exhibit No. 1

The units will be dedicated to the Inbe "25" Well No. 1, to be drilled at a location 660 feet from the north line and 1980 feet from the east line of Section 25.

(c) The parties being pooled, their last known addresses, and their interests in the well units, are as follows:

- |  |           |
|--|-----------|
| 1. Dorothy Mae Fann<br>P.O. Box 1924<br>Lovington, NM 88260  | 0.520830% |
| 2. Doris Fleming<br>c/o Ed Fleming, Guardian<br>P.O. Box 372<br>Clovis, NM 88101   | 0.520830% |
| 3. Roy G. Barton, Jr.<br>1919 N. Turner St.<br>Hobbs, NM 88240-2712  | 1.562500% |
| 4. Roy G. Barton III<br>c/o Roy G. Barton, Jr.<br>1919 N. Turner St.<br>Hobbs, NM 88240-2712   | 1.041670% |
| 5. Brett C. Barton<br>c/o Roy G. Barton, Jr.<br>1919 N. Turner St.<br>Hobbs, NM 88240-2712   | 1.041670% |
| 6. Heidi C. Barton<br>c/o Roy G. Barton, Jr.<br>1919 N. Turner St.<br>Hobbs, NM 88240-2712   | 1.041670% |
| 7. Roy G. Barton, Jr., as Trustee of the<br>Roy G. Barton, Sr. and Opal Barton Revocable Trust<br>1919 N. Turner St.<br>Hobbs, NM 88240-2712 | 3.125000% |
| 8. Yates Petroleum Corporation<br>105 S. Fourth Street<br>Artesia, NM 88210-2118   | 4.375000% |
| 9. Yates Drilling Company<br>105 S. Fourth Street<br>Artesia, NM 88210-2118  | 0.625000% |

- |   |           |
|---|-----------|
| 10. Abo Petroleum Corporation<br>P.O. Box 900<br>Artesia, NM 88211-0900 | 0.625000% |
| 11. MYCO Industries, Inc.<br>P.O. Box 840<br>Artesia, NM 88211-0840     | 0.625000% |

The mineral interests in the E½ of Section 25 are undivided, and are uniform throughout the half section. Therefore, the ownership of the persons being pooled is the same in each well unit.

(d) Copies of the proposal letters sent to the mineral interest owners are attached hereto as Exhibit B.

(e) Pride Energy Company has made a good faith effort to locate all interest owners, and to obtain their voluntary joinder in the proposed well.

(f) A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit C. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other wells of this depth drilled in this area of Lea County.

(g) Overhead charges of \$7330/month for a drilling well, and \$767/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for well of this depth.

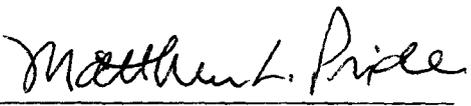
(h) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against the non-consenting interest owner.

(j) Applicant requests that it be designated operator of the well.

VERIFICATION

STATE OF OKLAHOMA    )  
  ) ss.  
COUNTY OF Wagoner    )

Matthew L. Pride, being duly sworn upon his oath, deposes and states that: He is a landman for Pride Energy Company; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

  
\_\_\_\_\_  
Matthew L. Pride

SUBSCRIBED AND SWORN TO before me this 27th day of November, 2006  
by Matthew L. Pride.

*Kaci D Lenz*  
\_\_\_\_\_  
Notary Public

My Commission Expires:  KACI D. LENZ  
Notary Public  
State of Oklahoma  
Commission #06004720  
Expires 05/11/10



FILE COPY

# PRIDE ENERGY COMPANY

(918) 524-9200 • Fax (918) 524-9292 • www.pride-energy.com

Physical Address: Kensington Tower  
2250 East 73<sup>rd</sup> Street, Suite 550  
Tulsa, OK 74136

Mailing Address: P.O. Box 701950  
Tulsa, OK 74170-1950  
Email Address: mattp@pride-energy.com

October 19, 2006

Via Certified Mail  
Return Receipt #  
91 3408 2133 3930 9929 1827

Dorothy Mae Fann  
P.O. Box 1924  
Lovington, NM 88260

RE: Inbe "25" #1 Proposed Well  
660' FNL and 1,980' FEL of Section 25, Township 11 South, Range 33 East  
Lea County, New Mexico

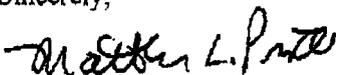
To Whom It May Concern:

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We are hereby offering to lease your oil and gas mineral interest for \$200 per net acre, 3/16 royalty, 3 year term or for \$0 per net acre, ¼ royalty, 3 year term. If you are interested in leasing, then please make the appropriate election below and return to my attention. If you are interested in participating in the drilling of the proposed well, please sign below and on the enclosed Authorization for Expenditure and return both to my attention, along with a check for your proportionate share of the Completed Well Cost.

Thank you for your immediate attention and response.

Sincerely,



Matthew L. Pride  
Pride Energy Company

Dorothy Mae Fann

X \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

I hereby elect to:

- Participate
- Lease for \$200 per net acre; 3/16; 3 years
- Lease for \$0 per net acre; ¼; 3 years

EXHIBIT

B

Pride Energy Company  
P.O. Box 701950  
Tulsa, OK 74170-1950

91 3408 2133 3930 9929 1827

Dorothy Mac Fann  
P.O. Box 1924  
Lovington, NM 88260



- Not Del. (Addressed)
- Unzip (Address)
- Insufficient (Address)
- Mailed (Address)
- Unclear (Address)
- Mailed (Address)
- No Such (Address)
- Vacant (Address)
- No Mail (Address)
- Box Closed (Address)
- Return to (Address)
- Postage Due (Address)

*Handwritten signature*

*Large handwritten signature*

00621-0230  
MAILED FROM 00621-0230

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October 19, 2006

Via Certified Mail  
Return Receipt #  
91 3408 2133 3930 9929 1896

Doris Fleming  
c/o Ed Fleming, Guardian  
P.O. Box 372  
Clovis, NM 88101

RE: Inbe "25" #1 Proposed Well  
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To Whom It May Concern:

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Sincerely,



Matthew L. Pride  
Pride Energy Company

Doris Fleming

X \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

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- Lease for \$0 per net acre; 1/4; 3 years

Pride Energy Company  
P.O. Box 701950  
Tulsa, OK 74170-1950

*Handwritten:*  
SCAMM  
as witness  
D.F.  
D.F.

**e** United States Postal Service  
**SIGNATURE CONFIRMATION**

Label 315, July 2000

91 3408 2133 3930 9929 1896

Doris Fleming  
c/o Ed Fleming, Guardian  
P.O. Box 372  
Clovis, NM 88101



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October 19, 2006

Via Certified Mail  
Return Receipt #  
91 3408 2133 3930 9929 1902

Roy G. Barton, Jr.  
P.O. Box 978  
Hobbs, NM 88241

RE: Inbe "25" #1 Proposed Well  
660' FNL and 1,980' FEL of Section 25, Township 11 South, Range 33 East  
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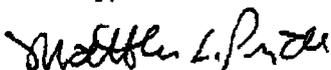
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Thank you for your immediate attention and response.

Sincerely,



Matthew L. Pride  
Pride Energy Company

Roy G. Barton, Jr.

X \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

I hereby elect to:

- Participate
- Lease for \$200 per net acre; 3/16; 3 years
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Email Address: mattp@pride-energy.com

October 19, 2006

Roy G. Barton, Jr.  
1919 N. Turner St.  
Hobbs, NM 88240-2712

Via Certified Mail  
Return Receipt #  
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RE: Inbe "25" #1 Proposed Well  
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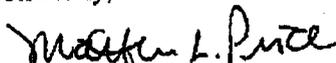
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Matthew L. Pride  
Pride Energy Company

Roy G. Barton, Jr.

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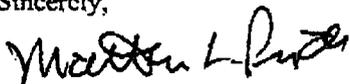
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Pride Energy Company

Roy G. Barton III

X \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

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Brett C. Barton  
c/o Roy G. Barton, Jr.  
P.O. Box 978  
Hobbs, NM 88241

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Brett C. Barton

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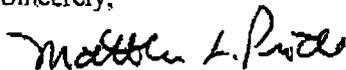
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Hobbs, NM 88241

RE: Inbe "25" #1 Proposed Well  
660' FNL and 1,980' FEL of Section 25, Township 11 South, Range 33 East  
Lea County, New Mexico

To Whom It May Concern:

In reference to the above, Pride Energy Company hereby proposes the drilling of a 11,850' Mississippi, Morrow and Pennsylvanian test. An Authorization for Expenditure is enclosed in the amount of \$1, 685,437 Dry Hole Cost and \$2,497,637 Completed Cost.

We are hereby offering to lease your oil and gas mineral interest for \$200 per net acre, 3/16 royalty, 3 year term or for \$0 per net acre, 1/4 royalty, 3 year term. If you are interested in leasing, then please make the appropriate election below and return to my attention. If you are interested in participating in the drilling of the proposed well, please sign below and on the enclosed Authorization for Expenditure and return both to my attention, along with a check for your proportionate share of the Completed Well Cost.

Thank you for your immediate attention and response.

Sincerely,



Matthew L. Pride  
Pride Energy Company

The Roy G. Barton, Sr. and Opal Barton Revocable Trust

X \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

I hereby elect to:

- Participate
- Lease for \$200 per net acre; 3/16; 3 years
- Lease for \$0 per net acre; 1/4; 3 years

FILE COPY

# PRIDE ENERGY COMPANY

(918) 524-9200 • Fax (918) 524-9292 • www.pride-energy.com

Physical Address: Kensington Tower  
2250 East 73<sup>rd</sup> Street, Suite 550  
Tulsa, OK 74136

Mailing Address: P.O. Box 701950  
Tulsa, OK 74170-1950  
Email Address: mattp@pride-energy.com

October 19, 2006

Via Certified Mail  
Return Receipt #  
91 3408 2133 3930 9929 1940

Roy G. Barton, Jr., as Trustee of the  
Roy G. Barton, Sr. and Opal Barton Revocable Trust  
1919 N. Turner St.  
Hobbs NM 88240-2712

RE: Inbe "25" #1 Proposed Well  
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AR, AZ, CA, CO, LA, MI, MS, ND, NE, NM, NV, OK, SD, TX, UT, VA, WY, AND SASKATCHEWAN, CANADA

PHONE 505 397-3925

FAX 505 393-0970

*Roy G. Barton Jr.*  
Oil and Gas Producer  
HOBBS, NEW MEXICO 88241

MAIN OFFICE  
1919 N. TURNER

December 5, 2006

Via Fax: 918-524-9292 &  
Certified Return Receipt  
7005 1820 0001 6798 5285

Mr. Matthew L. Pride  
Pride Energy Company  
P.O. Box 701950  
Tulsa OK 74170-1950

Re: Your Proposed Inbe "25" #1 Well  
E/2 Section 25, T-11-S, R-33-E,  
Lea County, New Mexico

Dear Mr. Pride:

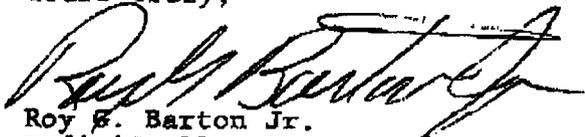
The Barton Interests have decided that they do not wish to participate with their respective un-leased mineral interests in the captioned well.

We will grant Pride Energy Co. a one year Oil & Gas Lease providing for a 1/4th. royalty, no bonus with a pugh clause containing a 180 day continuous development and a depth limitation of 100' below depth drilled.

If you wish to accept these terms for these leases you may forward same with added language to the undersigned for signatures.

Thank you.

Yours truly,

  
Roy G. Barton Jr.  
Individually, Trustee & Agent



