

**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. 13997

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 24, 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 N $\frac{1}{2}$ 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. 1
Exhibit No. 1

The units will be dedicated to the Inbe "24" Well No. 1, to be drilled at a location 660 feet from the north line and 2130 feet from the east line of Section 24.

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

- | | |
|--|-----------|
| 1. Mobil Producing Texas & New Mexico Inc.
c/o Exxon Mobil Corporation
P.O. Box 4610
Houston, TX 77210-4610 | 6.250000% |
| 2. Dorothy Mae Fann
P.O. Box 1924
Lovington, NM 88260 | 0.297620% |
| 3. Doris Fleming
c/o Ed Fleming, Guardian
P.O. Box 372
Clovis, NM 88101 | 0.297620% |
| 4. Yates Petroleum Corporation
105 S. Fourth Street
Artesia, NM 88210-2118 | 2.500000% |
| 5. Yates Drilling Company
105 S. Fourth Street
Artesia, NM 88210-2118 | 0.357140% |
| 6. Abo Petroleum Corporation
P.O. Box 900
Artesia, NM 88211-0900 | 0.357140% |
| 7. MYCO Industries, Inc.
P.O. Box 840
Artesia, NM 88211-0840 | 0.357140% |

The mineral interests in the N½ of Section 24 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.

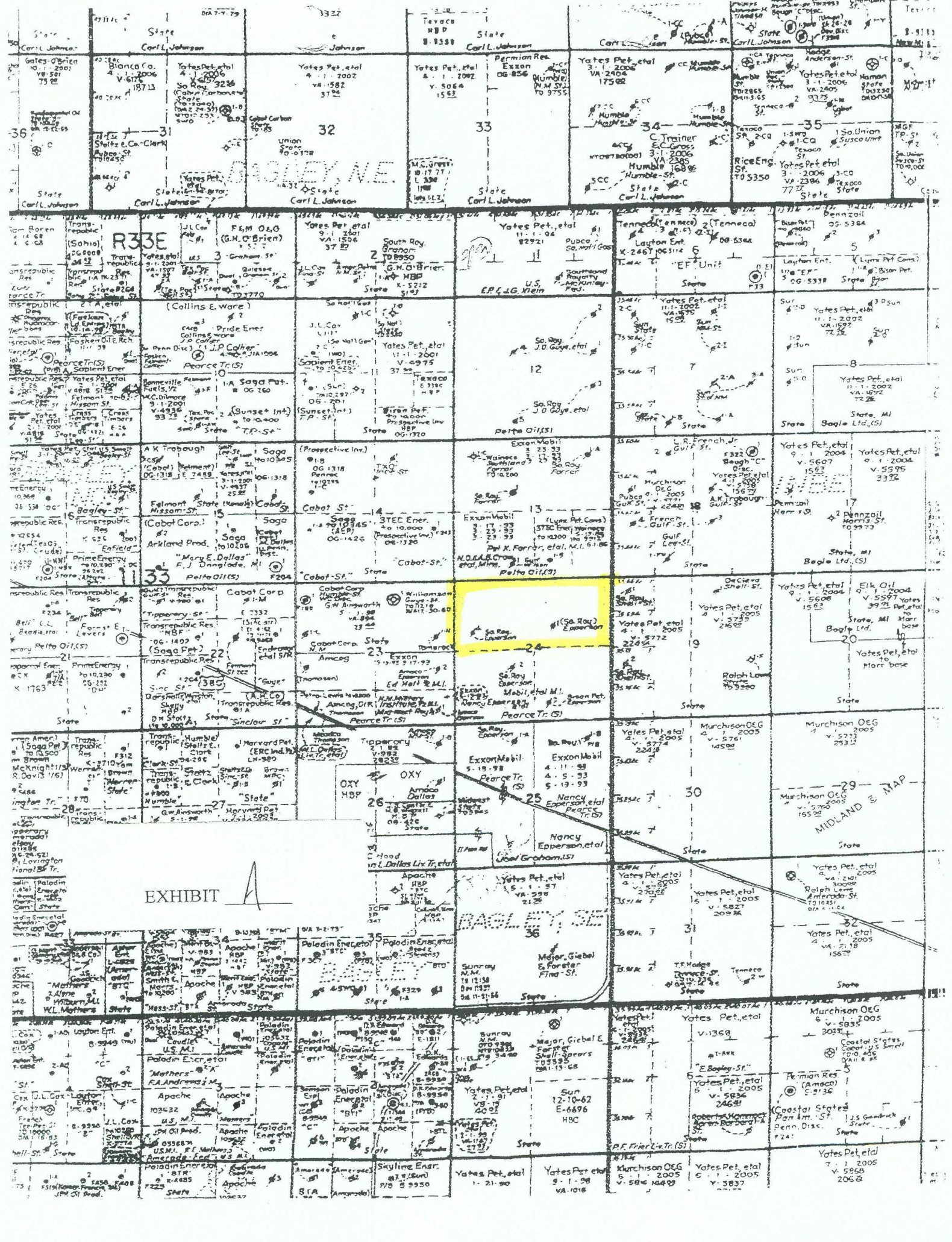
(e) Pride Energy Company has made a good faith effort to locate all interest owners, and to obtain their voluntary joinder in the proposed well.

- ## VERIFICATION

Matthew L. Price

Kari S. Lenz

My Commission Expires: _____



EXHIBIT

BAGLEY, NE

MIDLAND & MAP

PRIDE ENERGY COMPANY

FILE COPY

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

Physical Address: Kensington Tower
2250 East 73rd 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

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

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

RE: Inbe "24" #1 Proposed Well
660' FNL and 2,310' FEL of Section 24, 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 11,640' 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

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; 1/4; 3 years

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



- ☐ Not Del. - Address Not Addressed
- ☐ Unable to Forward
- ☐ Insufficient Address
- ☐ Mixed / Left / Right
- ☐ Undelivered / Not Read
- ☐ No Such Person / Not Known
- ☐ Vacant / No One
- ☐ No Mail / Not Mailed
- ☐ Box Closed / No Order
- ☐ Returned / No Return Address
- ☐ Postage Due

91 3408 2133 3930 9929 1827

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

Label 316, July 2000



02 IF
6092150250 OCT 17 1999
MAILED FROM ZIP 50501

Handwritten signature

PRIDE ENERGY COMPANY

FILE COPY

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

Physical Address: Kensington Tower
2250 East 73rd 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

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

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

RE: Inbe "24" #1 Proposed Well
660' FNL and 2,310' FEL of Section 24, Township 11 South, Range 33 East
Lea County, New Mexico

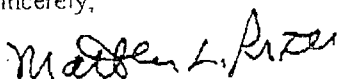
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Sincerely,



Matthew L. Pride
Pride Energy Company

Doris Fleming

X _____
By: _____
Title: _____

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- ☐ Lease for \$200 per net acre; 3/16; 3 years
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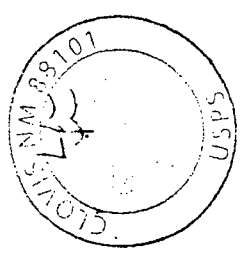
mp9619.a)

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



Handwritten: 5/25/11
AS Miss
P. Fleming
X

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

Pride Energy Company PO Box 701950 Tulsa, OK 74170-1950 918 524 9200 office 918 524 9292 facsimile		Authorization for Expenditure Well: Inbe 24 #1 Section 24 - T11S - R33E 660' FNL & 2,310' FEL Proposed Depth: 11,640' Primary Objectives: Mississippi, Morrow, Pennsylvania		October 16, 2005
Drilling intangibles				
Legal				15,000
Rathole/Mouschole				10,000
Water	45	day(s)	per day	25,000
Location and road				35,000
Drilling rig:	daywork	45	days at 18,000	per day 810,000
	mobilization			80,000
	fuel	45	days at 2,500	per day 112,500
Bits	9	bits at	5,000	each, average 45,000
Mud, chemicals & drayage		feet at		per foot 35,000
Mud Disposal bpf 0.30		bbbls/load		per load
Open Hole Logging		feet at		per foot 20,000
Equipment Rental		days at		per day, average 10,000
Cementing, Surface				10,000
Cementing, Intermediate				20,000
Casing crews, intermediate				8,000
Trucking				15,000
Other Services				20,000
Geological/Engineering	45	days at	1,500	per day 67,500
Contingency				15% 200,700
Subtotal				1,338,000
Total drilling intangibles				1,538,700
Drilling tangibles				
Casing, surface	425	feet at	35	per foot 14,875
Casing, intermediate	4150	feet at	20	per foot 83,000
Well head equipment				10,000
Float equipment				5,000
Subtotal				112,875
Contingency				15% 33,862
Total drilling tangibles				146,737
Completion intangibles				
Location and road				10,000
Casing crews, production				10,000
Cementing, production				45,000
Completion rig	10	days at	3,000	per day 30,000
Perforating and GR-CBL				15,000
Formation treatments				150,000
Equipment Rentals		days at		per day 5,000
Water or Diesel				10,000
Supplies				5,000
Trucking				10,000
Roustabout work		days at		per day 20,000
Other Services				20,000
Engineering	10	days at	1,000	per day 10,000
Subtotal				340,000
Contingency				15% 51,000
Total completion intangibles				391,000
Completion tangibles				
Production casing 5 1/2 N-80	11,700	feet at	15.00	per foot 175,500
Float equipment				10,000
Well head				15,000
Production tubing 2 1/2 N-80	11,700	feet at	5.50	per foot 64,350
Downhole Equipment				5,000
Production Equipment				50,000
Flowlines				10,000
Subtotal				324,000
Contingency				15% 97,200
Total completion tangibles				421,200
Approved: <u>Madden L. Little</u> Date: <u>10/18/06</u>				Dry hole cost: 1,685,437
Pride Energy Company				Completed well cost: 2,497,637
Approved: _____ Date: _____				Your Interest
Working Interest Owner				Your Total Cost

Notice to Non-Operator: Costs shown on this form are estimates only. In executing this AFE, the consenting party agrees to pay its proportionate share of actual costs incurred. Overhead will be charged in accordance with the Joint Operating Agreement.