

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

**IN THE MATTER OF THE APPLICATION
OF PRIDE ENERGY COMPANY FOR
COMPULSORY POOLING, NON-STANDARD
SPACING AND PRORATION UNIT, AND
UNORTHODOX LOCATION LEA COUNTY, NEW MEXICO.**

CASE NO. 16774

**APPLICATION FOR COMPULSORY POOLING, NON-STANDARD
SPACING AND PRORATION UNIT, AND UNORTHODOX LOCATION**

PRIDE ENERGY COMPANY applies for an order pooling all mineral interests within the vertical limits of the Wolfcamp formation (Pool Code 98270), non-standard spacing and proration unit, and unorthodox location, underlying the E/2W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. In support of this application, Applicant states:

1. Applicant is an interest owner in the E/2W/2 of Section 16, and has the right to drill thereon.
2. Applicant proposes to drill its Paduca 16 State 703H well to be located at a non-standard well location having a surface location 200 FNL and 2094 FWL of Section 16 and a bottom hole location of 330 FSL and 2314 FWL.
3. Applicant seeks to dedicate the E/2W/2 of Section 16 to the well to form a non-standard 160 acre spacing and proration unit within the vertical limits of the Wolfcamp formation.
4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E/2W/2 of Section 16 for the purposes set forth herein.

5. Certain mineral owners have failed or refused to join in the drilling of the proposed well, therefore, applicant seeks an order pooling all mineral interest owners in the E/2W/2 of Section 16 pursuant to NMSA 1978, Section 70-2-17 as requested in this application.

6. The pooling of all mineral interests as requested in this application underlying the E/2W/2 of Section 16 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. Pooling all mineral interests in the E/2W/2 of Section 16 within the vertical limits of the Wolfcamp formation.
- B. Approving this application with respect to non-standard spacing and proration unit and unorthodox location.
- C. Designating Applicant as the operator of the well;
- D. Considering the cost of completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and,
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

PADILLA LAW FIRM, P.A.

By: _____

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NMOCD Case No. 16174

Application of Pride Energy Company, for compulsory pooling, non-standard spacing and proration unit, and unorthodox location, Lea County, New Mexico; Applicant proposes for an order pooling all mineral interests within the vertical limits of the Wolfcamp formation (Pool Code 98270), dedicated to its Paduca 16 State 703H well, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the E/2W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The well is located approximately 28 miles due west of Jal, New Mexico.