

**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. 13,703

**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) The parties being pooled are unleased mineral owners. No opposition to this case is expected because the locatable interest owners have been contacted regarding the proposed well, and have simply not decided whether to lease their interests to Pride Energy Company or to join in the well. In addition, there are several unlocatable owners.

(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 13, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico:

(i) the SW $\frac{1}{4}$ 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

OIL CONSERVATION DIVISION

CASE NUMBER

Pride EXHIBIT NUMBER 1

(iv) the N½ to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing.

The units will be dedicated to the Inbe "13" Well No. 1, to be drilled at an orthodox location 1980 feet from the north line and 1680 feet from the east line of Section 13.

(c) The parties being pooled, and their interests in the well units, are listed on Exhibit B. The mineral interests in the N½ of Section 13 are undivided, and are uniform throughout the half section. Therefore, ownership is the same in each well unit. The last known addresses of the parties being pooled are listed on Exhibit C.

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

(e) The interest owners listed below are unlocatable. They acquired their interests on the dates listed after their names:

International Oil & Mining Co. (1966)

The following heirs of Myrtle Houghton: (1972)

Agnes Houghton, as separate property  
Charles A. Houghton, as separate property  
Blanche Van Winkle, as separate property  
Gladys Wilson, as separate property  
Virgil W. Houghton, as separate property  
Eunice Conley, as separate property

J.W. Hill (1960)

After the dates set forth above, there are no instruments recorded in Lea County affecting these interests. To locate these interest owners, Pride Energy Company examined the Lea County records, telephone directories and county records in the counties of residence of the out-of-state owners, internet directories, and pertinent Secretary of State records on corporate entities. Where possible heirs were located, they were notified of the hearing.

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

(g) A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit E. 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.

(h) Overhead charges of \$7,330/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.

(i) 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 TULSA       )

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*

Matthew L. Pride

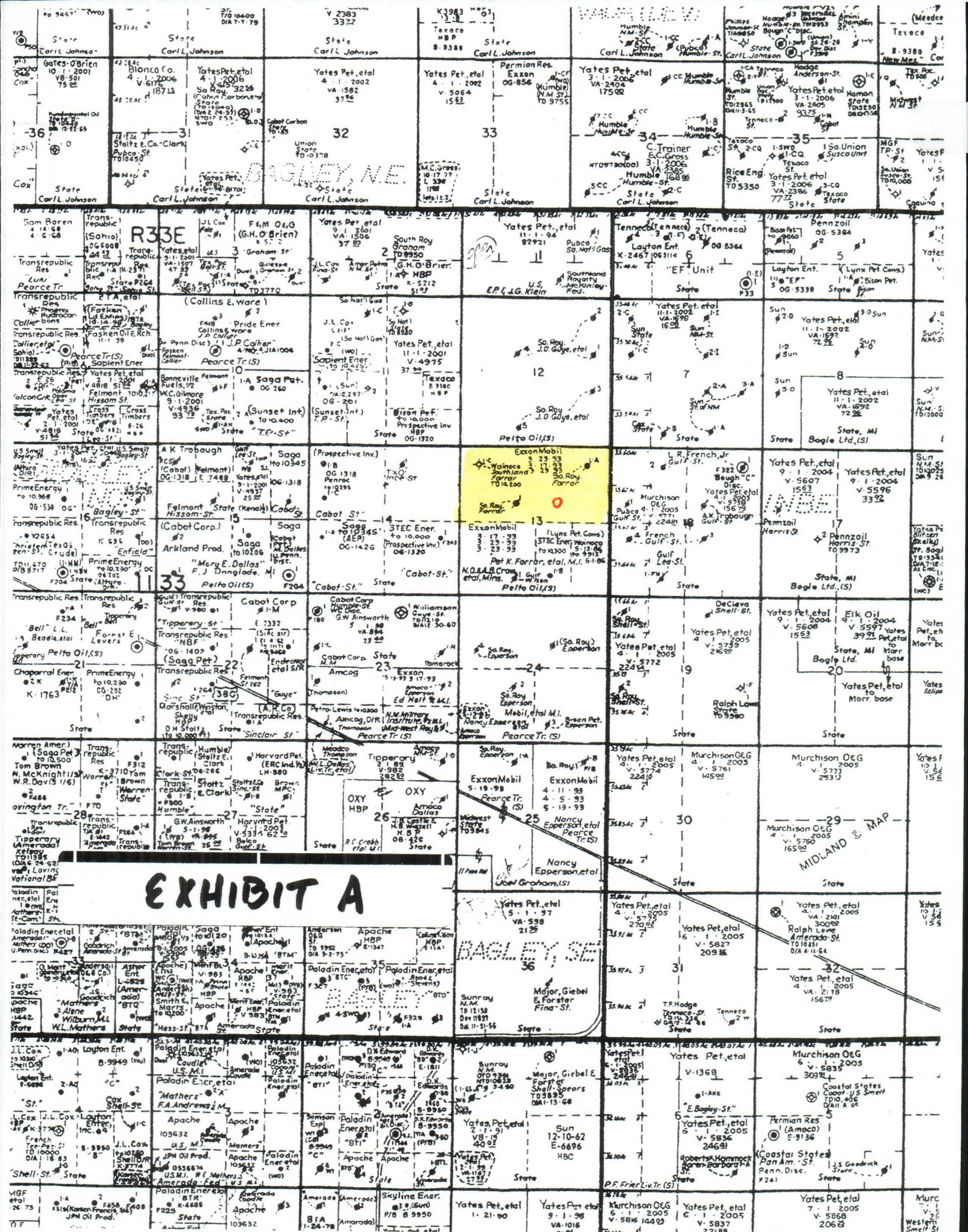
SUBSCRIBED AND SWORN TO before me this 22nd day of May, 2006 by Matthew L. Pride.



*Diana L. Mann*  
Notary Public

My Commission Expires: 7-11-09







## **EXHIBIT B**

### **Interest Owners Being Pooled In** **N½ Section 13, Township 11 South, Range 33 East, N.M.P.M.**

Trustee U/W/O M.H. McGrail	Unleased	1/32
Kelly H. Baxter	Unleased	50% x 1/64
Mitchell Minerals, LLC	Unleased	22.5% x 1/64
Amcon Resources, Inc.	Unleased	22.5% x 1/64
International Oil & Mining Co.	Unleased	1/32
The following heirs of Myrtle Houghton: (c/o Martha Houghton and Dorothy Cammack)		
Agnes Houghton, as separate property (c/o Dorothy Cammack)	Unleased	1/7 x 1/8
Charles A. Houghton, as separate property	Unleased	1/7 x 1/8
Blanche Van Winkle, as separate property (c/o Beverly Downing and Dorothy Cammack)	Unleased	1/7 x 1/8
Gladys Wilson, as separate property	Unleased	1/7 x 1/8
Virgil W. Houghton, as separate property	Unleased	1/7 x 1/8
Eunice Conley, as separate property (c/o James H. Conley)	Unleased	1/7 x 1/8
Roca Resource Company	Unleased	8/1280
First Roswell Company, Ltd.	Unleased	25/320
Chaucer K. Francis, as separate property	Unleased	2/320
J.W. Hill	Unleased	5/320
Kenneth G. Cone, as separate property	Unleased	1/160
Kenneth G. Cone, Trustee F/B/O the children of Kenneth G. Cone U/W/O Kathleen Cone	Unleased	1/160
The Long Trusts	Unleased	95.875% x 1/40
Conquistador Council of Boy Scouts of America	Unleased	15% x 1/32
Board of Regents of New Mexico Military Institute	Unleased	5% x 1/32

The Blanco Company	Unleased	1/32
Chisos, Ltd.	Unleased	1/128
Pure Energy Group, Inc.	Unleased	1/128
Edge Petroleum Exploration Company	Unleased	2/128

## EXHIBIT C

Bank of America, N.A., Successor Trustee  
of the Testamentary Trust under the Will of M. H. McGrail, deceased  
2100 South Utica Ave., Suite 150  
Tulsa, OK 74114-1436

Kelly H. Baxter  
P.O. Box 1649  
Austin, TX 78767-1649

Mitchell Minerals, LLC  
P.O. Box 488  
Henryetta, OK 74437

Amcon Resources, Inc.  
P.O. Box 3025  
Oklahoma City, OK 73101

International Oil & Mining Co.  
24509 Apple Street  
Newhall, CA 91321-3534

The following heirs of Myrtle Houghton :  
Agnes Houghton, as separate property  
Charles A. Houghton, as separate property  
Blanche Van Winkle, as separate property  
Gladys Wilson, as separate property  
Virgil W. Houghton, as separate property  
c/o Martha Houghton  
7302 North Jensen Road  
Spokane, WA 99217-9554

Roca Resource Company  
P.O. Box 1981  
Midland, TX 79702

First Roswell Company, Ltd.  
P.O. Box 1797  
Roswell, NM 88202

J. W. Hill  
Address unknown

Kenneth G. Cone  
P.O. Box 11310  
Midland, TX 79702

Kenneth G. Cone, Trustee F/B/O the  
children of Kenneth G. Cone U/W/O Kathleen Cone  
P.O. Box 11310  
Midland, TX 79702

The Long Trusts  
P.O. Box 3096  
Kilgore, TX 75663

Conquistador Council of Boy Scouts of America  
1325 West Walnut Hill Lane  
P.O. Box 152079  
Irving, TX 75015-2079

Board of Regents of New Mexico Military Institute  
101 W. College Blvd.  
Roswell, NM 88201-5173

The Blanco Company  
P.O. Box 3010  
Ruidoso, NM 88355

Chisos, Ltd.  
607 Dona Ana Road S.W.  
Deming, NM 88030

Pure Energy Group, Inc.  
Suite 200  
153 Treeline Park  
San Antonio, TX 78209

Edge Petroleum Exploration Company  
Suite 2000  
1301 Travis  
Houston, TX 77002  
Attn: R. Keith Turner

Chaucer K. Francis  
P.O. Box 476  
Hugo, OK 74743

The Heirs of Eunice Conley  
c/o James Conley  
385 Forest Hills Way, NW  
Salem, OR 97304

Beverly Downing  
1512 Crestmar Place  
Fort Collins, CO 80521

Donovan C. Cammack  
2025 N. College Ave., #160  
Fort Collins, CO 80524



Dorothy Cammack  
2211 W. Mulberry St.  
Fort Collins, CO 80521-6021

The Heirs or Successors of Agnes Houghton  
c/o Dorothy Cammack  
2211 W. Mulberry St.  
Fort Collins, CO 80521-6021

The Heirs or Successors of Blanche Van Winkle  
c/o Dorothy Cammack  
2211 W. Mulberry St.  
Fort Collins, CO 80521-6021

The Heirs of Myrtle Houghton  
c/o Dorothy Cammack  
2211 W. Mulberry St.  
Fort Collins, CO 80521-6021

# PRIDE ENERGY COMPANY

(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

February 16, 2006

Via Certified Mail  
Return Receipt #

Nations Bank, N.A. Successor Trustee  
of the Testamentary Trust under the  
will of M. H. McGrail, deceased  
2100 South Utica Ave, Suite 150  
Tulsa, OK 74114

Signature  
Confirmation # 91 3408 2133 3930 6245 7809

ATTN: Terry Young  
Trust Department – Oil & Gas

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

Pride Energy Company hereby proposes to drill a 11,700' Mississippi, Morrow test at the proposed well location described above. In reference to the above tract that you own an unleased mineral interest, please find enclosed an Authority for Expenditure (AFE) dated February 16, 2006, that represents the estimated costs to drill and complete the proposed well. The estimated dry hole cost is \$ 1,685,437, and the completion costs are estimated at \$ 812,200, for a total completed well cost of \$ 2,497,637.

Please indicated below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 78,051.16 (3.125 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

Please forward your election as soon as possible. Thank you and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,

*Matthew L. Pride*

Matthew L. Pride  
Pride Energy Company

**Exhibit D**

\_\_\_\_\_ I/we hereby elect to participate in the Inbe #13-1 well and pay my proportionate share of the well costs.

\_\_\_\_\_ I/we hereby elect NOT to participate in the Inbe #13-1 well.

\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$150 per net acre, 1/8 landowner's royalty, and for a 3 year term.

\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$75 per net acre, 3/16 landowner's royalty, and for a 3 year term.

Nations Bank, N.A. Successor Trustee of the Testamentary Trust under the will of M. H. McGrail, deceased

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

(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

February 16, 2006

Via Certified Mail

Return Receipt #

International Oil & Mining Co.  
24509 Apple Street  
Newhall, CA 91321-3534

Signature  
Confirmation # 91 3408 2133 3930 6245 7816

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

Pride Energy Company hereby proposes to drill a 11,700' Mississippi, Morrow test at the proposed well location described above. In reference to the above tract that you own an unleased mineral interest, please find enclosed an Authority for Expenditure (AFE) dated February 16, 2006, that represents the estimated costs to drill and complete the proposed well. The estimated dry hole cost is \$ 1,685,437, and the completion costs are estimated at \$ 812,200, for a total completed well cost of \$ 2,497,637.

Please indicated below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 78,051.16 (3.125 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

Please forward your election as soon as possible. Thank you and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,



Matthew L. Pride  
Pride Energy Company

\_\_\_\_\_ I/we hereby elect to participate in the Inbe #13-1 well and pay my proportionate share of the well costs.

\_\_\_\_\_ I/we hereby elect NOT to participate in the Inbe #13-1 well.

\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$150 per net acre, 1/8 landowner's royalty, and for a 3 year term.

\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$75 per net acre, 3/16 landowner's royalty, and for a 3 year term.

International Oil & Mining Co.

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

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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

March 28, 2006

Via Certified Mail  
Return Receipt #  
91 3408 2133 3930 9391 7884

The following heirs of Myrtle Houghton:

Agnes Houghton, as separate property  
Charles A. Houghton, as separate property  
Blanche Van Winkle, as separate property  
Gladys Wilson, as separate property  
Virgil W. Houghton, as separate property

c/o Martha Houghton  
3311 E. Fairview  
Spokane, WA 99267

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

Pride Energy Company hereby proposes to drill a 11,700' Mississippi, Morrow test at the proposed well location described above. In reference to the above tract that you own an unleased mineral interest, please find enclosed an Authority for Expenditure (AFE) dated February 16, 2006, that represents the estimated costs to drill and complete the proposed well. The estimated dry hole cost is \$ 1,685,437, and the completion costs are estimated at \$ 812,200, for a total completed well cost of \$ 2,497,637.

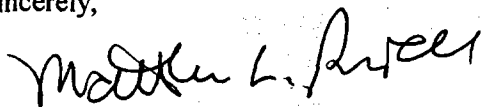
Please indicated below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 223,003.30 (8.9285714 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.



Please forward your election as soon as possible. Thank you and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,



Matthew L. Pride  
Pride Energy Company

\_\_\_\_\_ I/we hereby elect to participate in the Inbe #13-1 well and pay my proportionate share of the well costs.

\_\_\_\_\_ I/we hereby elect NOT to participate in the Inbe #13-1 well.

\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$150 per net acre, 1/8 landowner's royalty, and for a 3 year term.

\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$75 per net acre, 3/16 landowner's royalty, and for a 3 year term.

The following heirs of Myrtle Houghton:

Agnes Houghton, as separate property

Charles A. Houghton, as separate property

Blanche Van Winkle, as separate property

Gladys Wilson, as separate property

Virgil W. Houghton, as separate property

c/o Martha Houghton

By: \_\_\_\_\_

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

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

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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

February 16, 2006

Via Certified Mail

Return Receipt #

Roca Resources Co.  
P.O. Box 1981  
Midland, TX 79702

Signature  
Confirmation # 91 3408 2133 3930 6245 7823

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

Pride Energy Company hereby proposes to drill a 11,700' Mississippi, Morrow test at the proposed well location described above. In reference to the above tract that you own an unleased mineral interest, please find enclosed an Authority for Expenditure (AFE) dated February 16, 2006, that represents the estimated costs to drill and complete the proposed well. The estimated dry hole cost is \$ 1,685,437, and the completion costs are estimated at \$ 812,200, for a total completed well cost of \$ 2,497,637.

Please indicated below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 15,610.23 (0.625 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

Please forward your election as soon as possible. Thank you and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,



Matthew L. Pride  
Pride Energy Company

- \_\_\_\_\_ I/we hereby elect to participate in the Inbe #13-1 well and pay my proportionate share of the well costs.
- \_\_\_\_\_ I/we hereby elect NOT to participate in the Inbe #13-1 well.
- \_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$150 per net acre, 1/8 landowner's royalty, and for a 3 year term.
- \_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$75 per net acre, 3/16 landowner's royalty, and for a 3 year term.

Roca Resources Co.

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

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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

February 16, 2006

Via Certified Mail  
Return Receipt #

First Roswell Co., Ltd  
P.O. Box 1797  
Roswell, NM 88202

Signature  
Confirmation # 91 3408 2133 3930 6245 7854

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

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Please indicated below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 195,127.89 (7.8125 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

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Sincerely,



Matthew L. Pride  
Pride Energy Company

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I/we hereby elect NOT to participate in the Inbe #13-1 well.

I/we hereby elect to lease my mineral interest for \$150 per net acre, 1/8 landowner's royalty, and for a 3 year term.

I/we hereby elect to lease my mineral interest for \$75 per net acre, 3/16 landowner's royalty, and for a 3 year term.

First Roswell Co., Ltd

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

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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

February 16, 2006

Via Certified Mail  
Return Receipt #

J.W. Hill or the Known and/or  
Unknown Heirs, Successors and  
Assigns of J.W. Hill

*Address Unknown*

Roswell, NM

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

Pride Energy Company hereby proposes to drill a 11,700' Mississippi, Morrow test at the proposed well location described above. In reference to the above tract that you own an unleased mineral interest, please find enclosed an Authority for Expenditure (AFE) dated February 16, 2006, that represents the estimated costs to drill and complete the proposed well. The estimated dry hole cost is \$ 1,685,437, and the completion costs are estimated at \$ 812,200, for a total completed well cost of \$ 2,497,637.

Please indicated below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 39,025.58 (1.5625 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

Please forward your election as soon as possible. Thank you and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,

Matthew L. Pride  
Pride Energy Company



☒ I/we hereby elect to participate in the Inbe #13-1 well and pay my proportionate share of the well costs.

☐ I/we hereby elect NOT to participate in the Inbe #13-1 well.

☐ I/we hereby elect to lease my mineral interest for \$150 per net acre, 1/8 landowner's royalty, and for a 3 year term.

☐ I/we hereby elect to lease my mineral interest for \$75 per net acre, 3/16 landowner's royalty, and for a 3 year term.

The Long Trusts

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

(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

February 16, 2006

Via Certified Mail  
Return Receipt #

Kenneth G. Cone  
P.O. Box 11310  
Midland, TX 79702

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

Pride Energy Company hereby proposes to drill a 11,700' Mississippi, Morrow test at the proposed well location described above. In reference to the above tract that you own an unleased mineral interest, please find enclosed an Authority for Expenditure (AFE) dated February 16, 2006, that represents the estimated costs to drill and complete the proposed well. The estimated dry hole cost is \$ 1,685,437, and the completion costs are estimated at \$ 812,200, for a total completed well cost of \$ 2,497,637.

Please indicated below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 15,610.23 (0.625 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

Please forward your election as soon as possible. Thank you and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,



Matthew L. Pride  
Pride Energy Company

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\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$150 per net acre, 1/8 landowner's royalty, and for a 3 year term.

\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$75 per net acre, 3/16 landowner's royalty, and for a 3 year term.

Kenneth G. Cone

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

(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

February 16, 2006

Via Certified Mail  
Return Receipt #

Kenneth G. Cone, Trustee of the Trust created under  
the Will and Codicil of Kathleen Cone, Deceased  
for the benefit of the children of Kenneth G. Cone  
P.O. Box 11310  
Midland, TX 79702

Signature  
Confirmation # 91 3408 2133 3930 6245 7946

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

Pride Energy Company hereby proposes to drill a 11,700' Mississippi, Morrow test at the proposed well location described above. In reference to the above tract that you own an unleased mineral interest, please find enclosed an Authority for Expenditure (AFE) dated February 16, 2006, that represents the estimated costs to drill and complete the proposed well. The estimated dry hole cost is \$ 1,685,437, and the completion costs are estimated at \$ 812,200, for a total completed well cost of \$ 2,497,637.

Please indicated below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 15,610.23 (0.625 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

Please forward your election as soon as possible. Thank you and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,



Matthew L. Pride  
Pride Energy Company

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\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$150 per net acre, 1/8 landowner's royalty, and for a 3 year term.

\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$75 per net acre, 3/16 landowner's royalty, and for a 3 year term.

Kenneth G. Cone

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

(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

February 16, 2006

The Long Trusts  
P.O. Box 3096  
118 S. Kilgore Street  
Kilgore, TX 75663

Via Certified Mail  
Return Receipt #

Signature  
Confirmation # 91 3408 2133 3930 6245 7922

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

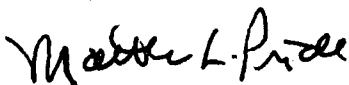
Pride Energy Company hereby proposes to drill a 11,700' Mississippi, Morrow test at the proposed well location described above. In reference to the above tract that you own an unleased mineral interest, please find enclosed an Authority for Expenditure (AFE) dated February 16, 2006, that represents the estimated costs to drill and complete the proposed well. The estimated dry hole cost is \$ 1,685,437, and the completion costs are estimated at \$ 812,200, for a total completed well cost of \$ 2,497,637.

Please indicated below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 62,440.93 (2.5 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

Please forward your election as soon as possible. Thank you and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,



Matthew L. Pride  
Pride Energy Company



- \_\_\_\_\_ I/we hereby elect to participate in the Inbe #13-1 well and pay my proportionate share of the well costs.
- \_\_\_\_\_ I/we hereby elect NOT to participate in the Inbe #13-1 well.
- \_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$150 per net acre, 1/8 landowner's royalty, and for a 3 year term.
- \_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$75 per net acre, 3/16 landowner's royalty, and for a 3 year term.

**The Long Trusts**

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

(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

March 28, 2006

Conquistador Council of the  
Boy Scouts of America Trust Fund  
1325 West Walnut Hill Lane  
P.O. Box 152079  
Irving, TX 75015-2079

Via Certified Mail  
Return Receipt #

Signature  
Confirmation # 91 3408 2133 3930 9391 7891

Phone: (972) 580-2406

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

Pride Energy Company hereby proposes to drill a 11,700' Mississippi, Morrow test at the proposed well location described above. In reference to the above tract that you own an unleased mineral interest, please find enclosed an Authority for Expenditure (AFE) dated February 16, 2006, that represents the estimated costs to drill and complete the proposed well. The estimated dry hole cost is \$ 1,685,437, and the completion costs are estimated at \$ 812,200, for a total completed well cost of \$ 2,497,637.

Please indicated below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 11,707.67 (0.46875 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

Please forward your election as soon as possible. Thank you and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,



Matthew L. Pride  
Pride Energy Company

\_\_\_\_\_ I/we hereby elect to participate in the Inbe #13-1 well and pay my proportionate share of the well costs.

\_\_\_\_\_ I/we hereby elect NOT to participate in the Inbe #13-1 well.

\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$150 per net acre, 1/8 landowner's royalty, and for a 3 year term.

\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$75 per net acre, 3/16 landowner's royalty, and for a 3 year term.

Conquistador Council of the Boy Scouts of America Trust Fund

By: \_\_\_\_\_

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

(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

March 28, 2006

Board of Regents of New Mexico Military Institute  
101 W. College Blvd.  
Roswell, NM 88201-5173

Via Certified Mail  
Return Receipt #  
91 3408 2133 3930 9391 7853  
Phone: (505) 622-6250

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

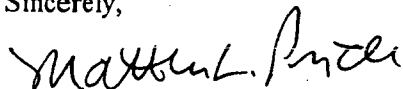
Pride Energy Company hereby proposes to drill a 11,700' Mississippi, Morrow test at the proposed well location described above. In reference to the above tract that you own an unleased mineral interest, please find enclosed an Authority for Expenditure (AFE) dated February 16, 2006, that represents the estimated costs to drill and complete the proposed well. The estimated dry hole cost is \$ 1,685,437, and the completion costs are estimated at \$ 812,200, for a total completed well cost of \$ 2,497,637.

Please indicated below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 3,902.56 (0.15625 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

Please forward your election as soon as possible. Thank you and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,



Matthew L. Pride  
Pride Energy Company

I/we hereby elect to participate in the Inbe #13-1 well and pay my proportionate share of the well costs.

I/we hereby elect NOT to participate in the Inbe #13-1 well.

I/we hereby elect to lease my mineral interest for \$150 per net acre, 1/8 landowner's royalty, and for a 3 year term.

I/we hereby elect to lease my mineral interest for \$75 per net acre, 3/16 landowner's royalty, and for a 3 year term.

Board of Regents of New Mexico Military Institute

By: \_\_\_\_\_

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information, if you participate)

# PRIDE ENERGY COMPANY

(918) 524-9200 • Fax (918) 524-9292 • [www.pride-energy.com](http://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](mailto:mattp@pride-energy.com)

May 3, 2006

The Blanco Company  
P.O. Box 3010  
Ruidoso, NM 88355

Via Certified Mail  
Return Receipt #  
91 3408 2133 3930 6188 3708

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

Pride Energy Company hereby proposes to drill a 11,700' Mississippi, Morrow test at the proposed well location described above. In reference to the above tract that you own an unleased mineral interest, please find enclosed an Authority for Expenditure (AFE) dated February 16, 2006, that represents the estimated costs to drill and complete the proposed well. The estimated dry hole cost is \$ 1,685,437, and the completion costs are estimated at \$ 812,200, for a total completed well cost of \$ 2,497,637.

Please indicate below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 78,051.16 (3.125 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

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Sincerely,



Matthew L. Pride  
Pride Energy Company



\_\_\_\_\_ I/we hereby elect to participate in the Inbe #13-1 well and pay my proportionate share of the well costs.

\_\_\_\_\_ I/we hereby elect NOT to participate in the Inbe #13-1 well.

\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$150 per net acre, 1/8 landowner's royalty, and for a 3 year term.

\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$75 per net acre, 3/16 landowner's royalty, and for a 3 year term.

The Blanco Company

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

(918) 524-9200 ♦ Fax (918) 524-9292 ♦ [www.pride-energy.com](http://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](mailto:mattp@pride-energy.com)

April 24, 2006

Via Certified Mail

Return Receipt #

91 3408 2133 3930 6188 3685

Chisos, Ltd.  
670 Dona Ana Road S. W.  
Deming, New Mexico 88030

ATTN: Sue Ann Craddock

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

Dear Ms. Craddock:

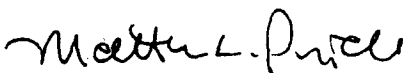
Pride Energy Company hereby proposes to drill a 11,700' Mississippi, Morrow test at the proposed well location described above. In reference to the above tract that you own an unleased mineral interest, please find enclosed an Authority for Expenditure (AFE) dated February 16, 2006, that represents the estimated costs to drill and complete the proposed well. The estimated dry hole cost is \$ 1,685,437, and the completion costs are estimated at \$ 812,200, for a total completed well cost of \$ 2,497,637.

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Sincerely,



Matthew L. Pride  
Pride Energy Company

\_\_\_\_\_ I/we hereby elect to participate in the Inbe #13-1 well and pay my proportionate share of the well costs.

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Chisos, Ltd.

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

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

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Tulsa, OK 74136

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

February 16, 2006

Via Certified Mail  
Return Receipt #

Pure Energy Group, Inc  
153 Treeline Park, Suite 200  
San Antonio, TX 78209

Signature  
Confirmation # 91 3408 2133 3930 6245 7786

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

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Sincerely,



Matthew L. Pride  
Pride Energy Company

- \_\_\_\_\_ I/we hereby elect to participate in the Inbe #13-1 well and pay my proportionate share of the well costs.
- \_\_\_\_\_ I/we hereby elect NOT to participate in the Inbe #13-1 well.
- \_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$150 per net acre, 1/8 landowner's royalty, and for a 3 year term.
- \_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$75 per net acre, 3/16 landowner's royalty, and for a 3 year term.

Pure Energy Group, Inc

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

(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

March 28, 2006

Edge Petroleum Exploration Company  
1301 Travis, Suite 2000  
Houston, TX 77002

Via Certified Mail  
Return Receipt #  
91 3408 2133 3930 9391 7860

Phone: (713) 427-8824

ATTN: R. Keith Turner

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

Pride Energy Company hereby proposes to drill a 11,700' Mississippi, Morrow test at the proposed well location described above. In reference to the above tract that you own an unleased mineral interest, please find enclosed an Authority for Expenditure (AFE) dated February 16, 2006, that represents the estimated costs to drill and complete the proposed well. The estimated dry hole cost is \$ 1,685,437, and the completion costs are estimated at \$ 812,200, for a total completed well cost of \$ 2,497,637.

Please indicated below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 39,025.58 (1.5625 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

Please forward your election as soon as possible. Thank you and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,



Matthew L. Pride  
Pride Energy Company

\_\_\_\_\_ I/we hereby elect to participate in the Inbe #13-1 well and pay my proportionate share of the well costs.

\_\_\_\_\_ I/we hereby elect NOT to participate in the Inbe #13-1 well.

\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$150 per net acre, 1/8 landowner's royalty, and for a 3 year term.

\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$75 per net acre, 3/16 landowner's royalty, and for a 3 year term.

Edge Petroleum Exploration Company

By: \_\_\_\_\_

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

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

March 28, 2006

Chaucer K. Francis  
P.O. Box 476  
Hugo, OK 74743

Via Certified Mail  
Return Receipt #  
91 3408 2133 3930 9391 7846

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

Pride Energy Company hereby proposes to drill a 11,700' Mississippi, Morrow test at the proposed well location described above. In reference to the above tract that you own an unleased mineral interest, please find enclosed an Authority for Expenditure (AFE) dated February 16, 2006, that represents the estimated costs to drill and complete the proposed well. The estimated dry hole cost is \$ 1,685,437, and the completion costs are estimated at \$ 812,200, for a total completed well cost of \$ 2,497,637.

Please indicated below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 15,610.23 (0.625 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

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Chaucer K. Francis

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

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Tulsa, OK 74170-1950  
Email Address: mattp@pride-energy.com

February 16, 2006

Beverly Downing  
1512 Crestmar Place  
Fort Collins, CO 80521

Via Certified Mail  
Return Receipt #

Signature  
Confirmation # 91 3408 2133 3930 6245 7915

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

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Beverly Downing

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

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

February 16, 2006

Via Certified Mail  
Return Receipt #

Dorothy Cammack  
2211 W. Mulberry St.  
Fort Collins, CO 80521-6021

Signature  
Confirmation # 91 3408 2133 3930 6245 7953

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

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Dorothy Cammack

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

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Tulsa, OK 74170-1950  
Email Address: mattp@pride-energy.com

May 3, 2006

Via Certified Mail  
Return Receipt #  
91 3408 2133 3930 6188 3715

The Known and Unknown Heirs  
of Myrtle Houghton, deceased  
c/o Dorothy Cammack  
7302 North Jensen Road  
#7302  
Spokane, WA 99217-9554

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

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Please indicate below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 182,119.10 (7.29166 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

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Sincerely,



Matthew L. Pride  
Pride Energy Company

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\_\_\_\_\_ I/we hereby elect NOT to participate in the Inbe #13-1 well.

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\_\_\_\_\_ I/we hereby elect to lease my mineral interest for \$75 per net acre, 3/16 landowner's royalty, and for a 3 year term.

The Known and Unknown Heirs of Myrtle Houghton, deceased c/o Dorothy Cammack

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

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Tulsa, OK 74136

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

May 3, 2006

Mitchell Minerals, LLC  
P.O. Box 488  
Henryetta, OK 74437

Via Certified Mail  
Return Receipt #  
91 3408 2133 3930 6188 3739

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

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Please indicate below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 8,780.76 (0.3515625 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

Please forward your election as soon as possible. Thank you and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,



Matthew L. Pride  
Pride Energy Company



\_\_\_\_\_ I/we hereby elect to participate in the Inbe #13-1 well and pay my proportionate share of the well costs.

\_\_\_\_\_ I/we hereby elect NOT to participate in the Inbe #13-1 well.

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Mitchell Minerals, LLC

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

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Tulsa, OK 74170-1950  
Email Address: mattp@pride-energy.com

May 3, 2006

Via Certified Mail

Return Receipt #

91 3408 2133 3930 6188 3746

Kelly H. Baxter  
P.O. Box 1649  
Austin, TX 78767-1649

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

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As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

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Kelly H. Baxter

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

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Tulsa, OK 74170-1950  
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May 3, 2006

Via Certified Mail

Return Receipt #

91 3408 2133 3930 6188 3722

Amcon Resources, Inc.  
P.O. Box 3025  
Oklahoma City, OK 73101

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

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Amcon Resources, Inc.

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

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Tulsa, OK 74170-1950  
Email Address: mattp@pride-energy.com

February 16, 2006

Via Certified Mail  
Return Receipt #

Donovan C. Cammack  
2025 N. College Ave., #160  
Fort Collins, CO 80524

Signature  
Confirmation # 91 3408 2133 3930 6245 7908

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
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Donovan C. Cammack

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

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

February 16, 2006

Via Certified Mail  
Return Receipt #

The Known or Unknown Heirs,  
Successors or Assigns of  
Agnes Houghton, deceased  
c/o Dorothy Cammack  
2211 W. Mulberry St.  
Fort Collins, CO 80521-6021

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

To Whom It May Concern:

Pride Energy Company hereby proposes to drill a 11,700' Mississippi, Morrow test at the proposed well location described above. In reference to the above tract that you own an unleased mineral interest, please find enclosed an Authority for Expenditure (AFE) dated February 16, 2006, that represents the estimated costs to drill and complete the proposed well. The estimated dry hole cost is \$ 1,685,437, and the completion costs are estimated at \$ 812,200, for a total completed well cost of \$ 2,497,637.

Please indicated below the option of your choice, sign and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. If you elect to participate, please execute and return the enclosed AFE, along with your check in the amount of \$ 78,051.16 (3.125 % working interest x \$ 2,497,637), which represents your share of the estimated completed well costs.

As an alternative, Pride Energy Company would be interested in leasing your mineral interests for \$150 per net acre, 1/8 landowner's royalty, for a 3 year term, or \$75 per net acre, 3/16 landowner's royalty, for a 3 year term. If you are interested in leasing, please indicate below which option you prefer and return this letter by Facsimile to my attention at (918) 524-9292, followed by a hard copy in the mail. Upon receipt, we will forward an Oil and Gas Lease to you for execution.

Please forward your election as soon as possible. Thank you and if there are any questions, please feel free to contact me at 918-524-9200.

Sincerely,



Matthew L. Pride  
Pride Energy Company



\_\_\_\_\_ I/we hereby elect to participate in the Inbe #13-1 well and pay my proportionate share of the well costs.

\_\_\_\_\_ I/we hereby elect NOT to participate in the Inbe #13-1 well.

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The Known or Unknown Heirs, Successors or Assigns of Agnes Houghton, deceased c/o Dorothy Cammack

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

(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

February 16, 2006

Via Certified Mail  
Return Receipt #

The Known or Unknown Heirs,  
Successors or Assigns of Blanche  
Van Winkle, deceased  
c/o Dorothy Cammack  
2211 W. Mulberry St.  
Fort Collins, CO 80521-6021

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
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The Known or Unknown Heirs, Successors or Assigns of Blanche Van Winkle, deceased c/o Dorothy Cammack

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

# PRIDE ENERGY COMPANY

(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

February 16, 2006

Via Certified Mail  
Return Receipt #

The Known or Unknown Heirs  
of Eunice Conley, deceased  
c/o James Conley  
385 Forest Hills Way, NW  
Salem, OR 97304

RE: Proposed well: Inbe #13-1  
Proposed Well Location: 1980' from the North Line & 1980' from the East Line of  
Section 13-11S-33E  
Section 13-11S-33E, N.M.P.M.: N ½  
Lea County, New Mexico

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The Known or Unknown Heirs of Eunice Conley, deceased c/o James Conley

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

(Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

My phone #: \_\_\_\_\_

My fax #: \_\_\_\_\_

My e-mail address: \_\_\_\_\_ (for well information if you participate)

Pride Energy Company  
 POB 701950 (74170)  
 2250 E. 73<sup>rd</sup> St., Ste. 550  
 Tulsa, OK 74136  
 918 524 9200 office  
 918 524 9292 facsimile

# Authorization for Expenditure

February 16, 2006

Well: Inbe 13 #1  
 Section 13 - T11S - R33E  
 1,980' FNL & 1,980' FEL

Proposed Depth: 11,700'  
 Primary Objectives: Mississippi, Morrow

## Drilling intangibles

Legal						15,000
Rathole/Mousehole						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
					Subtotal	1,338,000
Contingency					15%	200,700
					<b>Total drilling intangibles</b>	<b>1,538,700</b>

## 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
					<b>Total drilling tangibles</b>	<b>146,737</b>

## 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
					<b>Total completion intangibles</b>	<b>391,000</b>

## Completion tangibles

Production casing 5 1/4, N-80	11,700	feet at	15.00	per foot		175,500
Float equipment						10,000
Well head						15,000
Production tubing 2 3/4, N-80	11,700	feet at	5.50	per foot		58,500
Downhole Equipment						5,000
Production Equipment						50,000
Flowlines						10,000
					Subtotal	324,000
Contingency					15%	97,200
					<b>Total completion tangibles</b>	<b>421,200</b>

Approved: \_\_\_\_\_

Pride Energy Company

Date: 2/16/06

Dry hole cost: 1,685,437  
 Completed well cost: 2,497,637

Your Interest  
 Your Total Cost

Approved: \_\_\_\_\_

Working Interest Owner

Date: \_\_\_\_\_

Exhibit E