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November 10, 2006

*Case 13831*

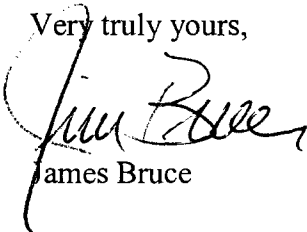
Via fax and U.S. Mail

Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Pride Energy Company, are an original and one copy of an application for compulsory pooling regarding the E½ §25-11S-33E, together with a proposed advertisement. The advertisement was previously e-mailed to the Division. Please set this matter for the December 13, 2006 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Pride Energy Company

PERSONS BEING POOLED

1. Dorothy Mae Fann  
P.O. Box 1924  
Lovington, NM 88260
2. Doris Fleming  
c/o Ed Fleming, Guardian  
P.O. Box 372  
Clovis, NM 88101
3. Roy G. Barton, Jr.  
P.O. Box 978  
Hobbs, NM 88241  
and  
1919 N. Turner St.  
Hobbs, NM 88240-2712
4. Roy G. Barton III  
c/o Roy G. Barton, Jr.  
P.O. Box 978  
Hobbs, NM 88241  
and  
1919 N. Turner St.  
Hobbs, NM 88240-2712
5. Brett C. Barton  
c/o Roy G. Barton, Jr.  
P.O. Box 978  
Hobbs, NM 88241  
and  
1919 N. Turner St.  
Hobbs, NM 88240-2712
6. Heidi C. Barton  
c/o Roy G. Barton, Jr.  
P.O. Box 978  
Hobbs, NM 88241  
and  
1919 N. Turner St.  
Hobbs, NM 88240-2712

7. Roy G. Barton, Jr., as Trustee of the  
Roy G. Barton, Sr. and Opal Barton Revocable Trust  
P.O. Box 978  
Hobbs, NM 88241  
and  
1919 N. Turner St.  
Hobbs, NM 88240-2712
8. Yates Petroleum Corporation  
105 S. Fourth Street  
Artesia, NM 88210-2118
9. Yates Drilling Company  
105 S. Fourth Street  
Artesia, NM 88210-2118
10. Abo Petroleum Corporation  
P.O. Box 900  
Artesia, NM 88211-0900
11. MYCO Industries, Inc.  
P.O. Box 840  
Artesia, NM 88211-0840

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

2006 NOV 16 PM 3:02  
**APPLICATION OF PRIDE ENERGY COMPANY  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**

**Case No.** 13831

**APPLICATION**

Pride Energy Company applies for an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the E½ of Section 25, Township 11 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E½ of Section 25, and has the right to drill a well thereon.
2. Applicant proposes to drill the Inbe "25" Well No. 1, at an orthodox location in the NW¼NE¼ of Section 25, to a depth sufficient to test the Mississippian formation, and seeks to dedicate the following acreage to the well:
  - (a) the NW¼NE¼ to form a standard 40 acre oil and spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent;
  - (b) the W½NE¼ to form a standard 80 acre oil and spacing and proration unit for any formations and/or pools developed on 80 acre spacing within that vertical extent, including the Inbe Permo-Pennsylvanian Pool;
  - (c) the NE¼ to form a standard 160 acre gas spacing and proration unit for any formations and/or pools developed on 160 acre spacing within that vertical extent; and
  - (d) the E½ to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E½ of Section 25 for the purposes set forth herein.

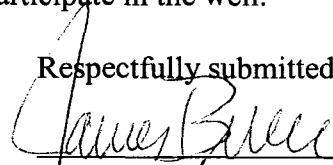
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the E½ of Section 25, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 25, and approval of the unorthodox oil well location, 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 E½ of Section 25, from the surface to the base of the Mississippian formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. 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.

Respectfully submitted,

  
James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Pride Energy Company

PROPOSED ADVERTISEMENT

**Case No. 13831: Application of Pride Energy Company for compulsory pooling, Lea County, New Mexico:** 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, N.M.P.M., and in the following manner: The E/2 to form a standard 320 acre gas spacing and proration unit for all formations developed on 320 acre spacing within that vertical extent; the NE/4 to form a standard 160 acre gas spacing and proration unit for all formations developed on 160 acre spacing within that vertical extent; the W/2NE/4 to form a standard 80-acre oil spacing and proration unit for all formations or pools developed on 80 acre spacing within that vertical extent, including the Inbe Permo-Pennsylvanian Pool; and the NW/4NE/4 to form a standard 40-acre oil spacing and proration unit for all formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Inbe "25" Well No. 1, to be located at an orthodox location in the NW/4NE/4 of Section 25. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 10 miles east-southeast of Caprock, New Mexico.

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