### 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 NW¼NE¼ 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<sup>1</sup>/<sub>2</sub>NE<sup>1</sup>/<sub>4</sub> 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<sup>1</sup>/<sub>4</sub> 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 protation unit for any formations and/or pools developed on 320 acre spacing.

**Oil** Conservation Division Case No. 13 831 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:

2

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

2

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

The mineral interests in the  $E\frac{1}{2}$  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.

Motthen L. Pride

Matthew L. Pride

SUBSCRIBED AND SWORN TO before me this \_\_\_\_27th\_\_\_\_ day of November, 2006 by Matthew L. Pride. KACI D. LENZ Notary Public State of Oklahoma Commission #06004720 Expires 05/11/10 Notary Public My Commiss

...•

.

• •

.

on 1	1	2:E	rinner an internet	Burn Contra
Store State Corre Johnson Conth Johnson	· /2	1310 State 1310 Carl L. Johnson	Carl L. Chan Shandler St. Corl L	The Constant State of State St
6 66765-07676 10 10.1.2001 10 10.1.2001 10 10.1.2001 10 10.1.2001 10 10.1.2004 10 10 10.1.2004 10 10 10.1.2004 10 10 10.1.2004 10 10 10.1.2004 10 10 10 10 10 10.1.2004 10 10 10 10 10 10 10 10 10 10 10 10 10 1	4 - 1 - 2002	Permien Res. Pes Pet, etal   ExzenCr 1 - 2002   06-856 (Kimble) 1 - 5054   M M M 1 555		
(10.1000)	VA 1582 37 55	i 1	17562 (Frieddam) 75265 (Frieddam) 75265 (Frieddam) 75265 (Frieddam) 75265 (Frieddam) 75265 (Frieddam) 75262 (Frieddam) 75265 (Frieddam) 7526 (Friedda	Pittes 3.1-2006 State Midnest
	32	33	Manual Star - Municipal St	35
-36 - C Swife & Ca-Clark	-0378		C. Trainer	A SI-CQ Suscount 70-St far
Store State	N.E.	Greenii: 177/ 201/	Humble Cost State	19. Yotes Pet etal 3
Carle June Carle June 1			Carl L. Johnson	7722 State Shara Conta
i con Boren restrict R33F (CAR. OSPICE)	Yotes Pet atal 9 ( Ital VA-1504 South Rou	Yates Pet., etai	Tennecht en nece) 2 (Tenneco)	Ban At OG 5384
Bas 19   Trong Vates atal us 3 Granam Sr	2 19 9950		Gas x-2467 1063114 6	El Laghan Ent. (Lynx Port Cons)
CON THE STORE FICE ALL AND TO TO TO TO	State 5:222	ERGLE U.S. F. Action	Single States	OG-5398 Srene Bian
Collins Eware ) Collins Eware ) Collin	J.L.Cov 5101		2 2-C 11.1-1075 1-1 4 - 1075 1-1 5	500 \$2.0 Yotes Pet, etc. 11. 10 2002
	(50 Mat) Gen"   Yates Pet.	elot So any elot	Storte Me-St Ts star	VA.1992 1-0 72.50 Sun 1-3 500
Mind A Source Tr (S) Source Active Aconce Tr (S)	Sopient Ener. V. 497	5 12		
srepublik Res. (Foskert Dit Rich Jack Conternance) ieretar (Jack Conternance) iereta		**	13 To can T T R2 A 3.4	\$ 5.0 Yotes Pet, etdi
Autor State 111 - 2001 Autor State 111 - 2001 Autor State 111 - 12001 -	(Sunset int)   Firm par 7.P-St.   Prisoning Prisoning Stote NBP	Linu 45 Perte Oil(\$1	Store Store	Store, Mi Store Bagle Ltd.,(S)
Site and a set of the	(Prospective Inv.) •1.8 1 #		A 2 Guif St. card	Yotes Pet, etal
Co-13/8 1 748 4 1576 106-13/8	OG 1318 TAQ Pennec Interst renges	Generation 3 23-33 Wainers 3 17-33 Jorniana 3 35 30, Roy, TO in Liso Formar	Usera Te Votes Poteto	1563 V-5596
	Cabot St. 14	5. Kaj - #	Gut St + 1249 18 Gulf St	Permissi 17
Saga Cont	Cabot St	Frats 3 - 23 - 35 - 10 - 100 -	$ \begin{array}{c} \mathbf{w} \\ \mathbf$	Herris St. 42 Pennzoil St. 14 Horris St. 51. 14 TO 7973 St. 14
A state with the state of the s	Cabot-	St." NORABCIONI SUC.	State 7 LegiSI.	Stole, MI Begle Ltd.(S)
Fred State (Angre ) 100 Perfe Cir(S) F204		Pelle Gil(3)	If dd a r DeCtave at Shell St.	
*234 - E	ALL STATES		Yores Pet etal	Votes Ret, et al. Elk Oil 9. 1. 2004 9. 1. 2004 V. 5608 V. 5597 votes 1952 3991 Percent
Pette Ditten	Const Corp. Story	1 (So. Rou)	Vates Pet etol   V. 3735 4. 5005 2262 2262 7 19	Store, MI Mor Bogly Ltd. bose
PCT STEL POINTERTY , PCT STEPHENC REF , FORMAN	Amcog 5:9-83 5 17-97	42 42 1	e an	Yotes Pet, etci
RefsholleWinston, A.R.Co	Ed Holi 2	ML	Startest, Rolph Low	
Store District Store Supplan St	Peorce Tr (5)	Peorce Tr. (S)		Store Murchison OEG Kar
Torna Ameri 1 Soga Pel Frondiki 1 Soga Pel Frondika 1 Soga Pel Frondiki 1 Soga Pel Frondiki 1 Soga Pel Frondi		Extended in the Rev. 1 mg	4. 1. 2005 4. 2005 V. 3774 22446 14500	4. (2005 4. 5773 2532
McKnight (19 Worten 19 10 fam 19 10 10 10 10 10 10 10 10 10 10 10 10 10	OTY COXY	s-13-78 4.11-95 ReargeTr. 4.5-93	There ?	
ingther Tr. 1870	HBP 26 Jacobie HBP 26	25 North A	J 50 - 7 - 30	Murchison CLC Murchison CLC 165320 AND
el227 billion poerodal response	by De-ate Store		Ballin 7	165 20 AND MICHAND
esser pertury merusal iter	C Hood Na L Dailes Lix 7	Il Aun ar	Slote	State
EXHIBIT	t Apoch tap tap	Yetes Per.etei	Yates Pet, etal 4 1 5 2003 2 2012 Yotes Pet, etal	Yotes Pet. etal
edin Enerelal	10 1992 - T E-1347		151(1/AL 2 16 - 1 - 2005	Anterodo-St. 73 1035/ 0/# 4 11-64
Anne State S	194 9-2-73 C		ISTAL J JI	Votes Ref., ctol 4 vi 2005
	April April 2	17 BTU <sup>-</sup> Sunray E Forster M.M. Fing-St.	BARK at TEHodge Temese	VAL 2118 15627
2 2. Allere 2 Side North 1 and	54 45W 13 5 5 5328 5	A Der HATT Da n-11-56 Septe	- 1772	Store
Canne Januar Partie ( A the state of the sta	17 mag 2 0 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		versitet votes Pet, etal votes Pet, etal votes Pet, etal votes Pet, etal	Murchison OEG
and the state of t	Polodin Pist C. 468 E.U. Energe hot polatinit Edu	Major, Giebald ordinan Major, Giebald ordinan Fall for the state page 1.65 - 10 - 10 - 10 - 10 - 10 - 10 - 10 - 1	E V-1368	Governant States
Mathers -	Grin Constant - Consta	795855 	Rea It States Pet, etal	Therming Res 5
Serie Apache Apache Apache	Erer Erergitol Start 8-5 wind Erergitol Sta	Yates Petersi 340 2-1-91 12-10-62 40 2 E-6696	v- 5936 2469	(Coosto: States) Pan Am. St. 125 Geochik 1
Statis sa Statistics	C Apoche Apoche	HBC	Tame 7 Sector Sector	Pan Am. St. 13 Goodrich ; Penn, Disc. State #241 State
PolodinEncreto : defede	Amerede Simerose Skyline Ene	A 123	R.F. Frier Liv.Tr. (S) BARA A Murchison OSA Vates Pet, etal	Yates Pet, etal A1. 7 : 1 2005
75 CHARLEN CARDE AND A PROPERTY AND ADDICTOR	8 rA Amarada) P/8 0 9950	1- 21-90 9-1-98 VA-1016	6 - 1 - 2005   C - 1 - 2005 V- 58 - 14493 V- 5837	V. 5866 Wet's 2062 Sm.



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

91 3408 2133 3930 9929 1827

Via Certified Mail

Return Receipt #

October 19, 2006

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:

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, ½ 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.

Sincercly,

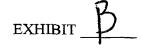
anatter L. Prite

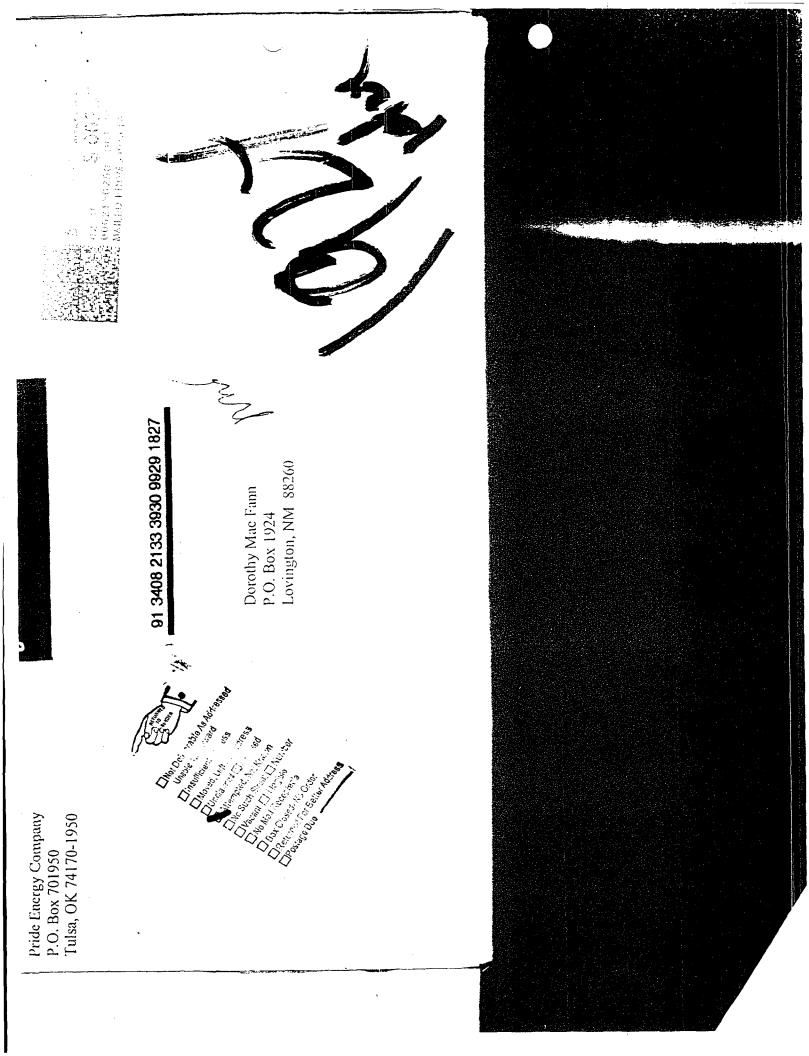
Matthew L. Pride Pride Energy Company

Dorothy Mae Fann

<u>x</u>	
By:	
Title:	

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







(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: Email Address:

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

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

October 19, 2006

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

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, 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,

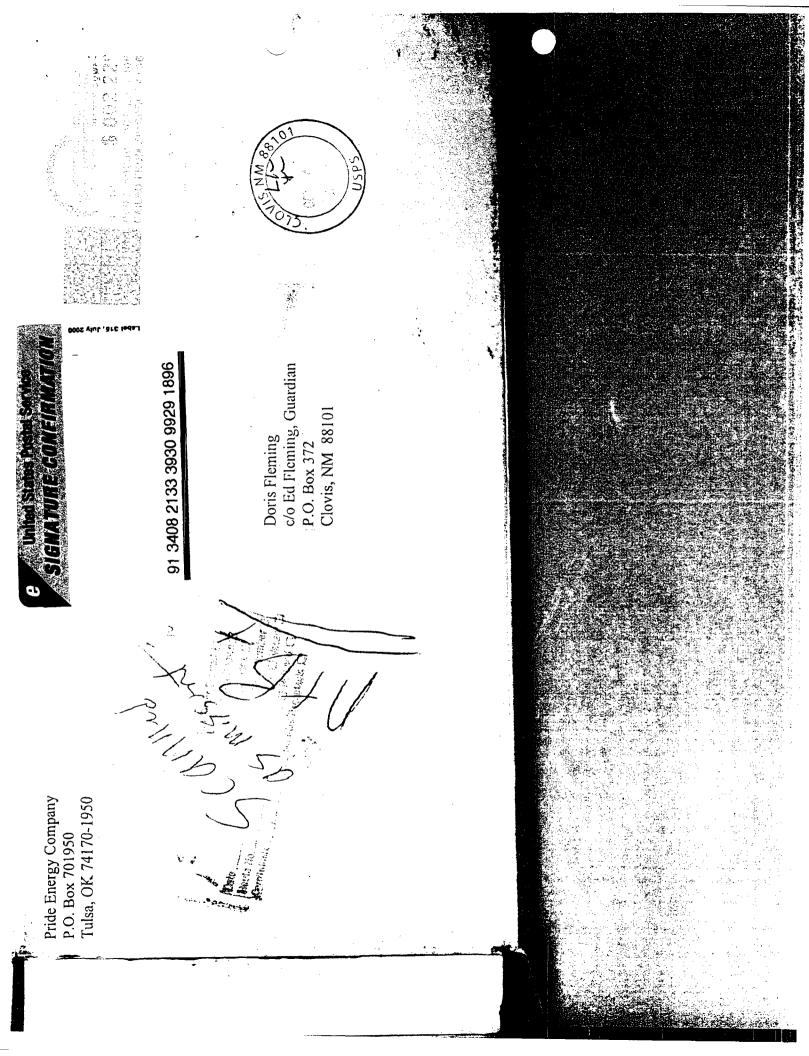
Motole L Proce

Matthew L. Pride Pride Energy Company

Doris Fleming

X	
Ву:	
Title:	

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



FILE CODY

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

October 19, 2006

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 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, ½ 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,

Matthe L. Proce

Matthew L. Pride Pride Energy Company

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

Roy G. Barton, Jr.

<u>X</u>		
Ву:	 	
Title:		

- □ Participate
- □ Lease for \$200 per not acre; 3/16; 3 years
- □ Lease for \$0 per net acre; ¼; 3 years

PRIDE ENERGY

PAGE 16

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 74138

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

October 19, 2006

Roy G. Barton, Jr. 1919 N. Turner St. Hobbs, NM 88240-2712 Via Certified Mail Return Receipt # 91 3408 2133 3930 9929 1940

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, 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,

rate L. Purce

Matthew L. Pride Pride Energy Company

Roy G. Barton, Jr.

<u>X</u>	
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

mp9638.sp

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

Physical Address:

Kensington Tower 2250 East 73<sup>rd</sup> Street, Sulta 550 Tulsa, OK 74136 Mailing Address: Email Address: P.O. Box 701950 Tulsa, OK 74170-1950 mattp@pride-energy.com

91 3408 2133 3930 9929 1902

Via Certified Mail Return Receipt #

October 19, 2006

Roy G. Barton III c/o 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 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, 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.

Sincercly,

n L. Purde

Matthew L. Pride Pride Energy Company

Roy G. Barton III

х By: Title:

I hereby elect to:

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

mp9627.aj

PAGE 18

FILE CORY RIDE ENERGY COMPAN

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

October 19, 2006

Roy G. Barton III c/o Roy G. Barton, Jr. 1919 N. Turner St. Hobbs, NM 88240-2712 Via Certified Mail Return Receipt # 91 3408 2133 3930 9929 1940

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, 1/2 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,

matter L. Pite

Matthew L. Pride Pride Energy Company

Roy G. Barton III

x	
Ву:	
Title:	

I hereby elect to:

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

mp9642.sp

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

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

October 19, 2006

Brett C. Barton c/o 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 Les 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, 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,

Matthe L. Proter

Matthew L. Pride Pride Energy Company

Brett C. Barton

<u>X</u>	
Ву: _	
Title:	

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



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

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

October 19, 2006

Brett C. Barton c/o Roy G. Barton, Jr. 1919 N. Turner St. Hobbs, NM 88240-2712

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, 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,

matter f. Riter

Matthew L. Pride Pride Energy Company

Brett C. Barton

<u>X</u>	
Ву:	
Title:	

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

PRIDE ENERGY



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

91 3408 2133 3930 9929 1902

Via Certified Mail

Return Receipt #

October 19, 2006

Heidi C. Barton c/o 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 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, ½ 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,

matter L. Prite

Matthew L. Pride Pride Energy Company

Heidi C. Barton

X\_\_\_\_\_\_By: \_\_\_\_\_\_\_Title: \_\_\_\_\_\_

I hereby elect to:

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

mp9629.aj

(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 74138 Mailing Address: Email Address: P.O. Box 701950 Tulsa, OK 74170-1950 mattp@pride-energy.com

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

October 19, 2006

Heidi C. Barton c/o Roy G. Barton, Jr. 1919 N. Turner St. Hobbs, NM 88240-2712

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, 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,

Martin LPmith

Matthew L. Pride Pride Energy Company

Heidi C. Barton

<u>X</u>	
By: _	
Title:	

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

PRIDE ENERGY

PAGE 23



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

91 3408 2133 3930 9929 1902

Via Certified Mail

Return Receipt #

October 19, 2006

Roy G. Barton, Jr., as Trustee of the Roy G. Barton, Sr. and Opal Barton Revocable Trust 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 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, 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,

Etta L. Proces

Matthew L. Pride Pride Energy Company

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

<u>X</u>	
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

mp9630.aj

FILE CO

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

October 19, 2006

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

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, 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,

Edu f. Putal

Matthew L. Pride Pride Energy Company

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

<u>X</u>	 
Ву:	
Title:	

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

12/14/2006 11:35 9185249292 12/05/2006 11:26 FAX 505 393 0970 PRIDE ENERGY BARTON OIL PRODUCERS PAGE Ø2

001/001

AR. AZ, GA, CO. LA, MI, MG, ND. NE, NN, NV, OK, SD, YX, UT, VA, WY, AND SASKATCHEWAN, CANADA

PHONE 505 397-3925

FAX 505 393-0970

Roy G. Banton In.

Oil and Gas Producen HOBBS, NEW MEXICO 58241

MAIN OPFICE 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 Fride 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 &. Barton Jr.

Individually, Trustee & Agent



.

.

,

					· · · · · · · · · · · · · · · · · · ·	
	A	1	C T.m.	adiana	Octo	ber 16, 2006
Pride Energy Company	Au	thorization		anditure		
PO Box 701950			ibe 25 #1			
Tulsa, OK 74170-1950		Section 25 -				
918 \$24 9200 office		660' FSL &	: 1, <b>980' F</b>	EL		
918 524 9292 facsimile						
		Proposed D	epth: 11,8	50'		
•	Primar	y Objectives:				
			lvanian			
Drilling intangibles						15,000
Legal						10,000
Rathole/Mouschole						
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		bbis/load		per load		
Open Hole Logging		feet at		per foot		20,000
Equipment Rental		days at		per day, average		10,000
Cementing, Surface		uays at		yer usy, average		10,000
Cementing, Sufface						20,000
Cementing, Intermediate						8,000
Casing crews, intermediate						
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
					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
Float equipment					Subtotal	112,875
				·		
Contingency					15%	33,862
Condingency					15% Total drilling tanglibles	33,802 146,737
Completion intangibles						146,737
Completion intangibles Location and road						<b>146,737</b> 10,000
Completion intangibles Location and road Casing crews, production						146,737 10,000 10,000
Completion intangibles Location and road Casing crews, production Comenting, production						146,737 10,000 10,000 45,000
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig	10	days at	3,000	per day		146,737 10,000 10,000
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig	10	days at	3,000	per day		146,737 10,000 10,000 45,000
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and GR-CBL	10	days at	3,000	per day		146,737 10,000 10,000 45,000 30,000 15,000
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and OR-CBL Formation treatments	10		3,000			146,737 10,000 10,000 45,000 30,000 15,000 150,000
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals	10	days at days at	3,000	per day per day		146,737 10,000 45,000 30,000 15,000 150,000 5,000
Completion intangibles Location and road Casing crews, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel	10		3,000			146,737 10,000 10,000 45,000 15,000 15,000 5,000 5,000 10,000
Completion intangibles Location and road Casing crews, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies	10		3,000			146,737 10,000 10,000 45,000 15,000 15,000 5,000 10,000 5,000 5,000
Completion intangibles Location and road Casing crews, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking	10	days at	3,000	per day		146,737 10,000 10,000 45,000 15,000 15,000 5,000 5,000 10,000 5,000 10,000
Completion intangibles Location and road Casing crews, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work	10		3,000			146,737 10,000 10,000 45,000 15,000 15,000 5,000 5,000 10,000 5,000 10,000 20,000
Completion intangibles Location and road Casing crews, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking	10	days at	3,000	per day		146,737 10,000 10,000 45,000 15,000 150,000 5,000 10,000 5,000 10,000 20,000
Completion intangibles Location and road Casing crews, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work	10	days at	3,000	per day		146,737 10,000 10,000 45,000 15,000 150,000 5,000 10,000 5,000 10,000 20,000
Completion intangibles Location and road Casing crews, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services		days at days at		per day		146,737 10,000 10,000 45,000 30,000 15,000 15,000 5,000 5,000 10,000 5,000 10,000 20,000
Completion intangibles Location and road Casing crews, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services		days at days at		per day	Total drilling tanglibles	146,737 10,000 10,000 45,000 15,000 15,000 15,000 10,000 5,000 10,000 20,000 10,000 340,000
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering		days at days at		per day	Total drilling tanglibles	146,737 10,000 10,000 45,000 15,000 15,000 15,000 10,000 5,000 10,000 20,000 10,000 20,000 10,000 340,000 51,000
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency		days at days at		per day	Total drilling tanglibles	146,737 10,000 10,000 45,000 15,000 15,000 15,000 10,000 5,000 10,000 20,000 10,000 340,000
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles	10	days at days at days at	1,000	per day per day per day	Total drilling tanglibles	146,737 10,000 10,000 45,000 30,000 15,000 15,000 10,000 5,000 10,000 20,000 10,000 340,000 51,000
Completion intangibles Location and road Casing crews, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 ½, N-80		days at days at	1,000	per day	Total drilling tanglibles	146,737 10,000 10,000 45,000 15,000 150,000 5,000 10,000 20,000 10,000 20,000 10,000 340,000 51,000 391,000 175,500
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 ½, N-80 Float equipment	10	days at days at days at	1,000	per day per day per day	Total drilling tanglibles	146,737 10,000 10,000 45,000 15,000 150,000 5,000 10,000 5,000 10,000 20,000 10,000 340,000 51,000 340,000 175,500 10,000
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 1/4, N-80 Float equipment Well head	10	days at days at days at foot at	1,000	per day per day per day per frot	Total drilling tanglibles	146,737 10,000 10,000 45,000 30,000 15,000 15,000 10,000 5,000 10,000 20,000 10,000 340,000 51,000 391,000 175,500 10,000 15,000
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 ½, N-80 Float equipment Well head Production tubing 2 ½, N-80	10	days at days at days at	1,000	per day per day per day per foot	Total drilling tanglibles	146,737 10,000 10,000 45,000 15,000 15,000 15,000 10,000 5,000 10,000 20,000 20,000 10,000 340,000 51,000 391,000 175,500 10,000 15,000 15,000 15,000 15,000 15,000 175,500 10,000 15,000 15,000 15,000 15,000 10
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and OR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 ½, N-80 Float equipment Well head Production rubing 2 ½, N-80 Downhole Equipment	10	days at days at days at foot at	1,000	per day per day per day per frot	Total drilling tanglibles	146,737 10,000 10,000 45,000 30,000 15,000 15,000 10,000 5,000 10,000 20,000 10,000 20,000 10,000 340,000 51,000 391,000 175,500 10,000 15,000 5,000 5,000 5,000 5,000 5,000 10,000 51,000 10,000 51,000 51,000 51,000 51,000 51,000 51,000 51,000 51,000 51,000 51,000 51,000 51,000 51,000 51,000 50,000 50,000 51,000 50,000
Completion intangibles Location and road Casing crews, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 1/2, N-80 Float equipment Well head Production tubing 2 1/4, N-80 Downhole Equipment Production Equipment	10	days at days at days at foot at	1,000	per day per day per day per frot	Total drilling tanglibles	146,737 10,000 10,000 45,000 30,000 15,000 15,000 10,000 5,000 10,000 20,000 20,000 20,000 10,000 340,000 340,000 340,000 35,000 15,000 15,000 5,000
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and OR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 ½, N-80 Float equipment Well head Production rubing 2 ½, N-80 Downhole Equipment	10	days at days at days at foot at	1,000	per day per day per day per frot	Total drilling tanglibles	146,737 10,000 10,000 45,000 15,000 15,000 15,000 10,000 20,000 10,000 20,000 10,000 340,000 51,000 391,000 175,500 10,000 15,000 5,000 10,000 15,000 10,
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 ½, N-80 Float equipment Well head Production tubing 2 ½, N-80 Downhole Equipment Flowlines	10	days at days at days at foot at	1,000	per day per day per day per frot	Total drilling tanglibles	146,737 10,000 10,000 45,000 30,000 15,000 15,000 10,000 5,000 10,000 20,000 20,000 20,000 10,000 340,000 340,000 340,000 35,000 15,000 15,000 5,000
Completion intangibles Location and road Casing crews, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 1/2, N-80 Float equipment Well head Production tubing 2 1/4, N-80 Downhole Equipment Production Equipment	10	days at days at days at foot at	1,000	per day per day per day per frot	Total drilling tanglibles	146,737 10,000 10,000 45,000 15,000 15,000 15,000 10,000 5,000 10,000 20,000 10,000 340,000 51,000 391,000 175,500 10,000 15,000 5,000 10,000 340,000 5,000 10,000 15,000 10,000 15,000 10,0
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 ½, N-80 Float equipment Well head Production rubing 2 ½, N-80 Downhole Equipment Flowlines	10	days at days at days at foot at	1,000	per day per day per day per frot	Total drilling tanglibles Subtotal Total completion intagibles Subtotal	146,737 10,000 10,000 45,000 15,000 15,000 15,000 10,000 5,000 10,000 20,000 10,000 340,000 51,000 340,000 175,500 10,000 175,500 10,000 15,000 5,000 10,000 15,000 5,000 10,000 17,500 5,000 10,000 5,000 10,000 5,000 5,000 5,000 5,000 10,000 5,000 5,000 5,000 10,000 5,000 5,000 10,000 5,000 5,000 10,000 5,0
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 ½, N-80 Float equipment Well head Production rubing 2 ½, N-80 Downhole Equipment Flowlines	10	days at days at days at foot at	1,000	per day per day per day per frot	Total drilling tanglibles Subtotal Total completion intagibles Subtotal	146,737 10,000 10,000 45,000 15,000 15,000 15,000 10,000 5,000 10,000 20,000 10,000 340,000 51,000 391,000 175,500 10,000 15,000 5,000 10,000 340,000 5,000 10,000 15,000 10,000 15,000 10,0
Completion intangibles Location and road Casing crews, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 ½, N-80 Float equipment Well head Production tubing 2 ½, N-80 Downhole Equipment Flowlines Contingency	10 11,700 11,700	days at days at days at foct at foct at	1,000	per day per day per day per frot	Total drilling tanglibles Subtotal 15% Total completion intagibles Subtotal 15% Total completion tangibles	146,737 10,000 10,000 45,000 150,000 150,000 150,000 10,000 5,000 10,000 20,000 10,000 340,000 51,000 391,000 175,500 10,000 15,000 58,500 50,000 10,000 15,000 175,500 10,000 15,000 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 10,
Completion intangibles Location and road Casing crews, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 ½, N-80 Float equipment Well head Production tubing 2 ½, N-80 Downhole Equipment Flowlines Contingency	10 11,700 11,700	days at days at days at foct at foct at	1,000	per day per day per day per frot	Total drilling tanglibles Subtotal Subtotal 15% Total completion intagibles Subtotal 15% Total completion tangibles Dry hole cost:	146,737 10,000 10,000 45,000 15,000 15,000 15,000 10,000 5,000 10,000 20,000 20,000 10,000 340,000 51,000 391,000 175,500 10,000 15,000 50,000 175,500 10,000 391,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 ½, N-80 Float equipment Well head Production tubing 2 ½, N-80 Downhole Equipment Production Equipment Flowlines Contingency Contingency Contingency Contingency	10 11,700 11,700	days at days at days at foot at	1,000	per day per day per day per frot	Total drilling tanglibles Subtotal Subtotal 15% Total completion intagibles Subtotal 15% Total completion tangibles Dry hole cost: Completed well cost	146,737 10,000 10,000 45,000 150,000 150,000 150,000 10,000 5,000 10,000 20,000 10,000 340,000 51,000 391,000 175,500 10,000 15,000 58,500 50,000 10,000 15,000 175,500 10,000 15,000 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 10,
Completion intangibles Location and road Casing crews, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 ½, N-80 Float equipment Well head Production tubing 2 ½, N-80 Downhole Equipment Flowlines Contingency	10 11,700 11,700	days at days at days at foct at foct at	1,000	per day per day per day per frot	Total drilling tanglibles Subtotal Subtotal Total completion intagibles Subtotal	146,737 10,000 10,000 45,000 15,000 15,000 15,000 10,000 5,000 10,000 20,000 20,000 10,000 340,000 51,000 391,000 175,500 10,000 15,000 50,000 175,500 10,000 391,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 ½, N-80 Float equipment Well head Production tubing 2 ½, N-80 Downhole Equipment Production Equipment Flowlines Contingency Approved: Mathematical Company	10 11,700 11,700	days at days at days at foct at foct at	1,000	per day per day per day per frot	Total drilling tanglibles Subtotal Subtotal 15% Total completion intagibles Subtotal 15% Total completion tangibles Dry hole cost: Completed well cost	146,737 10,000 10,000 45,000 15,000 15,000 15,000 10,000 5,000 10,000 20,000 20,000 10,000 340,000 51,000 391,000 175,500 10,000 15,000 50,000 175,500 10,000 391,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 ½, N-80 Float equipment Well head Production tubing 2 ½, N-80 Downhole Equipment Production Equipment Flowlines Contingency Approved: Pride Energy Company Approved:	10 11,700 11,700	days at days at days at foct at foct at	1,000	per day per day per day per frot	Total drilling tanglibles Subtotal Subtotal Total completion intagibles Subtotal	146,737 10,000 10,000 45,000 15,000 15,000 15,000 10,000 5,000 10,000 20,000 20,000 10,000 340,000 51,000 391,000 175,500 10,000 15,000 50,000 175,500 10,000 391,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000
Completion intangibles Location and road Casing crews, production Cementing, production Completion rig Perforating and GR-CBL Formation treatments Equipment Rentals Water or Diesel Supplies Trucking Roustabout work Other Services Engineering Contingency Completion tangibles Production casing 5 ½, N-80 Float equipment Well head Production tubing 2 ½, N-80 Downhole Equipment Production Equipment Flowlines Contingency Approved: Mathematical Company	10 11,700 11,700	days at days at days at foot at foot at	1,000	per day per day per day per frot	Total drilling tanglibles Subtotal Subtotal Total completion intagibles Subtotal	146,737 10,000 10,000 45,000 15,000 15,000 15,000 10,000 5,000 10,000 20,000 20,000 10,000 340,000 51,000 391,000 175,500 10,000 15,000 50,000 175,500 10,000 391,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000 175,500 10,000

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.

io4313.ai.doc

\_\_\_\_\_\_

EXHIBIT\_C