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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. 13,825

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Pride Energy Company as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Pride Energy Company P.O. Box 701950 Tulsa, Oklahoma 74170 James Bruce Post Office Box 1056 Santa Fc, New Mexico 87504 (505) 982-2043

APPLICANT'S ATTORNEY

Attention: John Pride (918) 524-9200

<u>OPPONENT</u>

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the North Bagley-Permo Pennsylvanian Pool underlying the following described acreage in Section 9, Township 11 South, Range 33 East, N.M.P.M., and in the following manner: The N/2NE/4 to form a standard 80 acre oil spacing and proration unit for all formations developed on 80 acre spacing within that vertical extent, including the North Bagley-Permo Pennsylvanian Pool; and the NE/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 will be dedicated to the plugged and abandoned Bagley Well No. 1, located 560 feet from the north and east lines of Section 9, which will be re-entered to test the North Bagley-Permo Pennsylvanian Pool. In the event the re-entry of the Bagley Well No. 1 is not successful, the units will be dedicated to the *Bagley Well No. 3, to be drilled at an orthodox location in the N½NE¼ of Section 9 to test the North Bagley-Permo Pennsylvanian Pool. Also to be considered will be the cost of re-entering or 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 re-entering or drilling and completing the well.

OPPONENT

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PROPOSED EVIDENCE

APPLICANT

WITNESSES

<u>EST. TIME</u>

<u>EXHIBIT</u>

Pursuant to Division Rule 1207.A(1), this application will be submitted by affidavit.

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,

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

Attorney for Pride Energy Company