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August 21, 2007

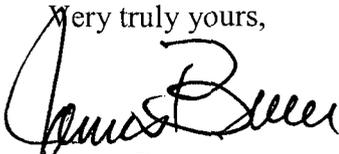
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 13997

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 N½ §24-11S-33E, together with a proposed advertisement. The advertisement was previously e-mailed to the Division. Please set this matter for the September 20, 2007 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Pride Energy Company

PERSONS BEING POOLED

1. Mobil Producing Texas & New Mexico Inc.
c/o Exxon Mobil Corporation
P.O. Box 4610
Houston, TX 77210-4610
2. Dorothy Mae Fann
P.O. Box 1924
Lovington, NM 88260
3. Doris Fleming
c/o Ed Fleming, Guardian
P.O. Box 372
Clovis, NM 88101
4. Yates Petroleum Corporation
105 S. Fourth Street
Artesia, NM 88210-2118
5. Yates Drilling Company
105 S. Fourth Street
Artesia, NM 88210-2118
6. Abo Petroleum Corporation
P.O. Box 900
Artesia, NM 88211-0900
7. MYCO Industries, Inc.
P.O. Box 840
Artesia, NM 88211-0840

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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**APPLICATION OF PRIDE ENERGY COMPANY
FOR COMPULSORY POOLING AND AN UNORTHODOX
WELL LOCATION, LEA COUNTY, NEW MEXICO.**

Case No. 13997

APPLICATION

Pride Energy Company applies for an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the N½ of Section 24, 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 N½ of Section 24, and has the right to drill a well thereon.

2. Applicant proposes to drill the Inbe "24" Well No. 1, at a location 660 feet from the north line and 2310 feet from the east line of Section 24, 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 N½ 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 N½ of Section 24 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 N½ of Section 24, pursuant to NMSA 1978 §70-2-17.

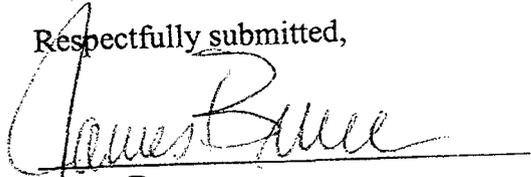
5. The proposed location is unorthodox except as to oil well units developed on 40 acre spacing.

6. The pooling of all mineral interests underlying the N½ of Section 24, 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 N½ of Section 24, from the surface to the base of the Mississippian formation;
- B. Approving the unorthodox oil well location;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", written over a horizontal line.

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

Attorney for Pride Energy Company

PROPOSED ADVERTISEMENT

Case No. 13997 : **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 24, Township 11 South, Range 33 East, N.M.P.M., and in the following manner: The N/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 "24" Well No. 1, to be located 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 9 miles east-southeast of Caprock, New Mexico.

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