

DENIED

SEE ATTACHED

SEE ATTACHED

HOBBS, ARTESIA, AZTEC, SANTA FE NMOCD DISTRICT OFFICE

C-104 DENIAL NOTICE

6/10/10 (Date of Denial) Donna Muel (Contact person) 515-393-6161 Ext 115 (Phone)

Operator Pride Energy Co OGRID 151323
Well Name Itendo Fee #1 API Number 30-025-26351
Pool Code 40750

Your recent form C-104 for the above well is hereby rejected for the following reason(s):

C-103 Subsequent Report with complete casing and cement data not received

★ C-103 Subsequent Report with Completion Report not received *Incorrect*

★ C-105 not received or incomplete *incorrect*

C-101 and C-102 not in agreement as to completion information

Logs not received

★ Part 5.9 violations (Specifically Inactive Wells)

Directional/Deviation Survey required

C-102 that shows the results of the Directional Drill Survey and resulting bottom hole location

NSL/NSP not approved

C-104 omitted information

Section I information (name, address, OGRID, etc.)

Section II information (surface location)

Section IV information (well completion data)

○ Spud date

○ Ready date

○ TD

★ PBTD *Incorrect*

★ Perfs *Incorrect*

★ Hole size, casing/tubing size, depth set, sacks cement *Incorrect*

Section V information (well test data)

○ Box Number _____

Signature _____ Printed Name and Title _____ E-mail Address _____ Date _____ Phone _____

Other All required forms had incorrect information.
Reported CIBP @ 11300 but producing
from 11405 - 11782

The well completion identified above has **not** been granted an allowable to produce. This well completion **shall** **not** be produced until the New Mexico Oil Conservation Division issues an approved C-104. This will **not** take place until all of the items noted above are addressed to the NMOCD's satisfaction.

May 27, 2004

Office

District I

1625 N French Dr., Hobbs, NM 88240

District II

1301 W Grand Ave., Artesia, NM 88201

District III

1000 Rio Brazos Rd., Aztec, NM 87401

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

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MAY 24 2010

HOBBSOCD

CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-025-26351

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Hondo Fee

8. Well Number 1

9. OGRID Number

151323

10. Pool name or Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)1. Type of Well: Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Pride Energy Company

3. Address of Operator

PO Box 701950, Tulsa, OK 74170

4. Well Location

Unit Letter L : 1980 feet from the South line and 660 feet from the West line
Section 19 Township 16S Range 36E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3963' GR

Pit or Below-grade Tank Application ☐ or Closure ☐Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐OTHER: Drilling ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

5/9/10 Set CIBP at 11,300'; Perfed Cisco (Bough C) at 10,940-11,048' and Acidized

5/10/10 Well producing oil and gas into tanks; (On pumping unit)

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JUN 10 2010

HOBBSOCDI hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

President of Pride Production Co., Inc.,

SIGNATURE Matthew L. Pride TITLE as General Partner of Pride Energy Company DATE 5/20/10

Type or print name Matthew L. Pride

E-mail address: mattp@pride-energy.com

Telephone No. 918-524-9200

For State Use OnlyAPPROVED BY: TITLE DATE

Conditions of Approval (if any):

Denied

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

May 19, 2010

State of New Mexico
Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

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MAY 24 2010

HOBBSOCD

Subject: Hondo Fee #1
API # 30-025-26351
Unit L, Sec. 19-T16S-R36E, Lea County, NM
1,980' FSL & 660' FWL
Deviation Surveys

To Whom It May Concern:

This was a re-entry and wash down of a previously drilled wellbore. Attached is a copy of the Record of Inclination.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Pride Energy Company,
An Oklahoma General Partnership

x

Matthew L. Pride

By: Pride Energy Co., Inc.

Title: General Partner

By: Matthew L. Pride

Title: President

Denied

FIELD Undesignated North Shoe Bar COUNTY Lea OCC NUMBER _____
OPERATOR Hondo Drilling Company ADDRESS P.O. Drawer 2516 Midland, Texas
LEASE Hondo Fee WELL NUMBER 1
SURVEY Section 19-T16S-R36E 1980' FSL & 660' FWL

RECORD OF INCLINATION

<u>DEPTH (FEET)</u>	<u>ANGLE OF INCLINATION (DEGREES)</u>
671'	1/4
1150'	1/2
2158'	3/4
2677'	1 1/2
3174'	1 1/4
3470'	1 1/2
4148'	1
4735'	1
5230'	1
5725'	3/4
6250'	1
6378'	3/4
6849'	1
7338'	1
7877'	1
8301'	1
8545'	1/2
9045'	1
9540'	3/4
10,117'	1
10,517'	1
10,703'	1/2

RECEIVED
MAY 24 2010
HOBBSOCD

Certification of personal knowledge inclination data:

I hereby certify that I have personally assembled the data and facts placed on this form, and such information given above is true and complete to the best of my knowledge.

HONDO DRILLING COMPANY

BY: [Signature]
Walter Frederickson
Vice President

Sworn and subscribed to before me the undersigned authority, on this the

9th day of August, 1979.

Margaret B. Anderson Notary Public in and for Midland County, Texas.
Margaret B. Anderson

Deviation Survey cont., Hondo Fee #1

FIELD _____ COUNTY _____ OCC NUMBER _____
OPERATOR _____ ADDRESS _____
LEASE _____ WELL NUMBER _____
SURVEY _____

RECORD OF INCLINATION

<u>DEPTH (FEET)</u>	<u>ANGLE OF INCLINATION (DEGREES)</u>
11,048'	1/2
11,545'	3/4
11,663'	1 1/2

RECEIVED

MAY 24 2010

HOBBSDO

Certification of personal knowledge inclination data:

I hereby certify that I have personally assembled the data and facts placed on this form, and such information given above is true and complete to the best of my knowledge.

HONDO DRILLING COMPANY

BY: [Signature]
Walter Frederickson
Vice President

Sworn and subscribed to before me the undersigned authority, on this the

07th day of August, 1979.

Margaret B. Anderson Notary Public in and for Midland County, Texas
Margaret B. Anderson

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

May 20, 2010

(O) (575) 393-6161, ext. 115

VIA Certified Mail

Return Receipt #: 91 7108 2133 3934 9534 0892

New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

ATTN: Donna Mull

RE: Hondo Fee #1
Section 19-16S-36E: 1,980' FSL & 660' FWL (Unit Letter L)
API No.: 30-025-26351
Lea County, New Mexico

Dear Donna,

In reference to the above well, please find attached the following documents:

1. Form C-103, dated May 19, 2010
2. Form C-103, dated May 20, 2010
3. Form C-105, Completion Report (2 copies), dated May 19, 2010
4. Form C-105, Completion Report (2 copies), Dated May 20, 2010
5. Form C-104, Request for Allowable
6. Logs (**We request that the logs be kept confidential**)
7. Deviation Survey

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

RECEIVED

MAY 24 2010

HOBBSOCD

*1st Comp 2/10/10
Done in
Court 3/15/10
6/15/10*

Denied

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn A"
T. Salt	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers	T. Devonian	T. Cliff House	T. Leadville
T. Queen	T. Silurian	T. Menefee	T. Madison
T. Grayburg	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres	T. Simpson	T. Mancos	T. McCracken
T. Glorieta	T. McKee	T. Gallup	T. Ignacio Oztze
T. Paddock	T. Ellenburger	Base Greenhorn	T.Granite
T. Blinebry	T. Gr. Wash	T. Dakota	
T.Tubb	T. Delaware Sand	T. Morrison	
T. Drinkard	T. Bone Springs	T.Todilto	
T. Abo	T. Miss Austin	T. Entrada	
T. Wolfcamp	T. Miss Chester	T. Wingate	
T. Penn	T.	T. Chinle	
T. Cisco (Bough C)	T.	T. Permian	

* See original completion form for formation tops. (This was a re-entry and washdown)

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....

No. 2, from.....to.....

No. 3, from.....to.....

No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology

From	To	Thickness In Feet	Lithology

Submit To Appropriate District Office Two Copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505		State of New Mexico Minerals and Natural Resources Oil Conservation Division 20 South St. Francis Dr. Santa Fe, NM 87505		Form C-105 July 17, 2008						
4. Reason for filing. <input checked="" type="checkbox"/> COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) <input type="checkbox"/> C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)		1. WELL API NO. 30-025-26351 2. Type of Lease <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN 3. State Oil & Gas Lease No.								
WELL COMPLETION OR RECOMPLETION REPORT AND LOG										
7. Type of Completion: <input type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input checked="" type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input type="checkbox"/> OTHER		5. Lease Name or Unit Agreement Name Hondo Fee 6. Well Number. 1								
8. Name of Operator Pride Energy Company 10. Address of Operator P.O. Box 701950, Tulsa, OK 74170		9. OGRID 151323 11. Pool name or Wildcat								
12. Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:	L	19	16S	36E		1,980	S	660	W	Lea
BH:	L	19	16S	36E		1,980	S	660	W	Lea
13. Date Spudded 12/11/08		14. Date T.D. Reached 12/27/08		15. Date Rig Released 12/29/08		16. Date Completed (Ready to Produce) 5/9/10		17. Elevations (DF and RKB, RT, GR, etc.) 3936GR		
18. Total Measured Depth of Well 11,896'			19. Plug Back Measured Depth 11,833'			20. Was Directional Survey Made? No		21. Type Electric and Other Logs Run CNPD; DLML		
22. Producing Interval(s), of this completion - Top, Bottom, Name 10,940 - 11,048 Cisco (Bough C)										
23. CASING RECORD (Report all strings set in well)										
CASING SIZE		WEIGHT LB./FT		DEPTH SET		HOLE SIZE		CEMENTING RECORD		AMOUNT PULLED
13 3/8"		48		366		17 1/2"		375 sx		None
8 5/8"		32# & 24#		4,250		11"		902 sx		None
5 1/2"		17# N-80		333		7 7/8"		} 1,590 sx		None
5 1/2"		17# P-110		333-10,833		7 7/8"				None
5 1/2"		17# N-80		10,833-11,793		7 7/8"				None
24. LINER RECORD						25. TUBING RECORD				
SIZE	TOP		BOTTOM		SACKS CEMENT	SCREEN		SIZE	DEPTH SET	PACKER SET
								2 3/8"	11,048'	
26. Perforation record (interval, size, and number) 10,940-11,048 (2 SPF)						27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.				
						DEPTH INTERVAL		AMOUNT AND KIND MATERIAL USED		
						10,940-11,048		7500 gals. of 15% HCL		
28. PRODUCTION										
Date First Production 5/10/10			Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping, 1 1/4"				Well Status (Prod. or Shut-in) Prod.			
Date of Test 5/18/10	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl 3	Gas - MCF 0	Water - Bbl. 31	Gas - Oil Ratio			
Flow Tubing Press. 50	Casing Pressure 220	Calculated 24-Hour Rate	Oil - Bbl. 3	Gas - MCF 0	Water - Bbl. 31	Oil Gravity - API - (Corr)				
29. Disposition of Gas (Sold, used for fuel, vented, etc.)								30. Test Witnessed By Willie Dean		
31. List Attachments										
32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.										
33. If an on-site burial was used at the well, report the exact location of the on-site burial:										
Latitude						Longitude			NAD 1927 1983	
I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief										
Signature <i>John Pride</i>			Printed Name: John Pride			Title: Pres. Of Pride Oil & Gas Co. Inc., as General Partner of Pride Energy Company			Date: 5/20/10	
E-mail Address: johnp@pride-energy.com										

mp11681.sm

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

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Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn A"
T. Salt	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers	T. Devonian	T. Cliff House	T. Leadville
T. Queen	T. Silurian	T. Menefee	T. Madison
T. Grayburg	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres	T. Simpson	T. Mancos	T. McCracken
T. Glorieta	T. McKee	T. Gallup	T. Ignacio Otzte
T. Paddock	T. Ellenburger	Base Greenhorn	T.Granite
T. Blinébry	T. Gr. Wash	T. Dakota	
T.Tubb	T. Delaware Sand	T. Morrison	
T. Drinkard	T. Bone Springs	T.Todilto	
T. Abo	T. Miss Austin	T. Entrada	
T. Wolfcamp	T. Miss Chester	T. Wingate	
T. Penn	T.	T. Chinle	
T. Cisco (Bough C)	T.	T. Permian	

* See original completion form for formation tops. (This was a re-entry and washdown)

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....

No. 3, from.....to.....

No. 2, from.....to.....

No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology

From	To	Thickness In Feet	Lithology

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources

Form C-104

Revised October 15, 2009

RECEIVED

MAY 24 2010

HOBBS

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit one copy to appropriate District Office

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Pride Energy Company P.O. Box 701950 Tulsa, OK 74170		² OGRID Number 151323
		³ Reason for Filing Code/ Effective Date NW/ Feb., 2010
⁴ API Number 30 - 025-26351	⁵ Pool Name	⁶ Pool Code
⁷ Property Code 37450	⁸ Property Name Hondo Fee	⁹ Well Number 1

II. ¹⁰ Surface Location

UL or lot no. L	Section 19	Township 16S	Range 36E	Lot Idn	Feet from the 1,980	North/South Line South	Feet from the 660	East/West line West	County Lea
--------------------	---------------	-----------------	--------------	---------	------------------------	---------------------------	----------------------	------------------------	---------------

¹¹ Bottom Hole Location

UL or lot no. L	Section 19	Township 16S	Range 36E	Lot Idn	Feet from the 1,980	North/South line South	Feet from the 660	East/West line West	County Lea
¹² Lse Code P	¹³ Producing Method Code P	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
36785	DCP Midstream, LP 10 Desta Dr., Suite 400W Midland, TX 79705	G
35103	Sunoco Partners Mktg. & Terminals LP P.O. Box 5095 Sugar Land, TX 77478	O

IV. Well Completion Data

²¹ Spud Date 12/11/08	²² Ready Date 2/10/10	²³ TD 11,896'	²⁴ PBSD 11,833'	²⁵ Perforations 11,405-11,782	²⁶ DHC, MC
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
17 1/2"	13 3/8"	366'	375 sx		
11"	8 5/8"	4,250'	902 sx		
7 7/8"	5 1/2"	11,793'	1,590 sx		
	2 3/8"	11,048'			

V. Well Test Data

³¹ Date New Oil 2/25/10	³² Gas Delivery Date	³³ Test Date 3/22/10	³⁴ Test Length 24 HRS.	³⁵ Tbg. Pressure 55	³⁶ Csg. Pressure 205
³⁷ Choke Size	³⁸ Oil 2	³⁹ Water 11	⁴⁰ Gas 0	⁴¹ Test Method Pumping	

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Matthew L. Pride*

Printed name:
Matthew L. Pride

Title:
President of Pride Production Co., Inc., as a General Partner of Pride Energy Company

E-mail Address:
mattp@pride-energy.com

Date:
5/19/10

Phone:
(918) 524-9200

OIL CONSERVATION DIVISION

Denied

Approved by:

Title:

Approval Date:

DENIED BY Oil Conservation Division
On 6/10/10 see attached letter
APD Reviewed by Donna Mull
For more information on this matter, please call
Donna Mull @ (575) 393-6161 ext 115 or
email donna.mull@state.nm.us

CONDITION OF DENIED:
See check-off list and letter attached.