

RECEIVED

NOV 09 2010

Submit 2 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS

State of New Mexico

Energy, Minerals and Natural Resources

Form C-103
 October 25, 2007

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-20610
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name BAGLEY
8. Well Number 1
9. OGRID Number 151323
10. Pool name or Wildcat N. BAGLEY PERMO PENN

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
 P.O. BOX 701950

4. Well Location

Unit Letter A : 560 feet from the NORTH line and 560 feet from the EAST line
 Section 9 Township 11S Range 33E NMPM LEA County NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 4,273' GR

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 ☐

☒ Location is ready for OCD inspection after P&A

☐ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. Form C-141 and the Investigation and Characterization plan were submitted to the Hobbs District Office of the NMOCD and also to the NMOCD Environmental Bureau in Santa Fe on June 24, 2008.

☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.

☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.

☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.

☐ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location. (see description as set out in the 1st item above) Also, there is an additional well to be drilled on this lease.

☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)

☒ All other environmental concerns have been addressed as per OCD rules.

☒ Pipelines and flow lines have been abandoned in accordance with 19.15.9.714.B(4)(b) NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection. If more than one inspection has to be made to a P&A location because it does not meet the criteria above, a penalty may be assessed.

SIGNATURE John W. Pride TITLE PRES. OF PRIDE OIL & GAS CO., INC. AS GENERAL PARTNER OF PRIDE ENERGY COMPANY, A GENERAL PARTNERSHIP DATE JULY 14, 2008

TYPE OR PRINT NAME JOHN W. PRIDE E-MAIL johnp@prideenergy.com PHONE: 918-524-9200

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

DENIED

Can not release location until pits are closed. MBB 11/10/2010

November 6, 2008

Larry Johnson
Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240
Via E-Mail and FedEx

RE: Pride Energy, Bagley #1

Dear Mr. Johnson,

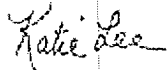
Attached please find our Corrective Action Plan, submitted on behalf of Pride Energy Company and based on findings from our Investigation and Characterization Plan submitted in June 2008. Pride will wait to implement the proposed remedy that will be protective of human health and the environment until we receive NMOCD approval. We would be pleased to meet with you in Hobbs at your convenience to explain the modeling employed in our analysis, answer questions, and assist in your review of this CAP.

In anticipation that it may take some time for NMOCD to review this CAP, Pride will stabilize the open pit at the site as soon as possible by:

- 1) Insuring that the pit is fenced,
- 2) Digging a trench to drain the pit to the south in the case of precipitation,
- 3) Using clean fill generated in digging the trench to create a slope in the bottom of the pit so that it will shed excess precipitation and avoid ponding over impacted soil.

If you have any questions or concerns, please do not hesitate to contact us.

Sincerely,
R.T. Hicks Consultants, Ltd.



Katie Lee
Project Scientist

Copy:
Matt Pride, Pride Energy Company

Brown, Maxey G, EMNRD

From: Matthew Pride [mattp@pride-energy.com]
Sent: Tuesday, August 31, 2010 11:23 AM
To: Brown, Maxey G, EMNRD
Subject: Bagley No. 001, Section 9-11S-33E: Unit Letter A, API No. 30-025-20610, Lea County, NM
Attachments: Bagley #1 8.31.10.pdf

Dear Mr. Brown,

Attached is a copy of my letter to you dated August 31, 2010, along with attachments. The original is being mailed to you today.

Thank you,

Matthew L. Pride
Pride Energy Company
P.O. Box 701950
Tulsa, OK 74170
(918) 524-9200
(918) 524-9292 Fax

PRIDE ENERGY COMPANY

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

Physical Address: 4641 E 91st St.
Tulsa OK, 74137

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

August 31, 2010

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

Via Certified Mail

Return Receipt #

91 7108 2133 3937 9882 4778

And

Email: maxeyg.brown@state.nm.us

ATTN: Maxey Brown
Compliance Officer

RE: Bagley No. 001
Section 9-11S-33E: Unit Letter A
API No. 30-025-20610
Lea County, New Mexico

Dear Mr. Brown,

In reference to the above described well and your letter to Pride Energy Company dated June 21, 2010 (copy attached), this correspondence is in response to the same. The fence around the small pit area has been fixed and is properly in place. Also attached is a copy of Form C-103 dated July 14, 2008 that was e-mailed to the NMOCD Hobbs office on July 15, 2008 which was the Subsequent Report of P and A Operations and also set out that Form C-141 and the Investigation and Characterization Plan were submitted to the Hobbs District office of the NMOCD and also to the NMOCD Environmental Bureau in Santa Fe on June 24, 2008. The Bagley #1 was plugged and abandoned on July 1, 2008.

Also enclosed is a copy of R.T. Hicks Consultants Ltd's (Pride's environmental consultant) letter to the NMOCD Hobbs District Office dated November 6, 2008 that submitted our Corrective Action Plan and that Pride will wait to implement the proposed remedy that will be protective of human health and the environment until we receive NMOCD approval. Pride Energy Company has yet to receive NMOCD approval, and respectfully waits for NMOCD approval before implementing the same.

Thank you and if there are any questions, please feel free to contact me at (918) 524-9200.

Sincerely,
Pride Energy Company



Matthew L. Pride



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Response Required – Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

21-Jun-10

PRIDE ENERGY COMPANY

P.O. BOX 701602

TULSA OK 74170-1602

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

BAGLEY No.001

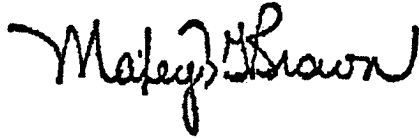
A-9-11S-33E

30-025-20610-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/21/2010	Routine/Periodic	Maxcy Brown	Yes	No	7/24/2010	iMGB1017253886
	Violations					
	Emergency/Temporary Pits					
Comments on Inspection:	DO NOT RELEASE. RULE 19.15.25.10. PIT IS STILL OPEN. FENCE FALLING DOWN. NEED TO CLOSE DRILLING PIT. PLEASE SUBMIT C-144 FOR APPROVAL. THIS IS 2ND LETTER OF NON-COMPLIANCE. ALSO NEED TO SUBMIT C-103 SUBSEQUENT REPORT FOR P/A. RULE 19.15.7.14. THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.					

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,



Hobbs OCD District Office

COMPLIANCE OFFICER

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

Matthew Pride

From: Matthew Pride
Sent: Tuesday, July 15, 2008 10:23 AM
To: Larry Johnson (larry.johnson@state.nm.us); Cindy Herrera (Cindy.Herrera@state.nm.us); Donna Mull (donna.mull@state.nm.us)
Subject: Bagley #1, Lea Co., NM
Attachments: State of NM Energy, Minerals & Natural Resources.pdf

Attached is Form C-103.

Thank you,

Matthew L. Pride
Pride Energy Company
P.O. Box 701950
Tulsa, OK 74170
(918) 524-9200
(918) 524-9292 Fax