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September 14, 2004

Hand Delivered

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

Dear Florene:

Enclosed are an original and one copy of an application for compulsory pooling, together with a proposed advertisement, filed on behalf of Samson Resources Company. Please set this matter for the October 7, 2004 Examiner hearing. Thanks.

The advertisement has also been e-mailed to you.

Very truly yours,



James Bruce

Attorney for Samson Resources Company

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SEP 14 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Case 13352

PARTIES BEING POOLED

Burlington Resources Oil & Gas Company LP
P.O. Box 51810
Midland, Texas 79710

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

APPLICATION OF SAMSON RESOURCES
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case No. 13352

APPLICATION

Samson Resources Company applies for an order pooling all mineral leasehold interests from the surface to the base of the Morrow formation underlying the E $\frac{1}{2}$ of Section 15, Township 21 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$ of Section 15, and has the right to drill a well thereon.

2. Applicant proposes to drill its Mesa Verde Federal "15" Well No. 1, at an orthodox location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ (Unit A) of Section 15, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:

(a) the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15 to form a standard 40 acre oil spacing and proration unit for any and all formations and/or pools developed on 40 acre spacing within that vertical extent;

(b) the NE $\frac{1}{4}$ of Section 15 to form a standard 160 acre gas spacing and proration unit for any and all formations and/or pools developed on 160 acre spacing within that vertical extent; and

(c) the E $\frac{1}{2}$ of Section 15 to form a standard 320 acre gas spacing and proration unit for any and all formations and/or pools developed on 320 acre spacing within that vertical

extent, including the Undesignated Hat Mesa-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral leasehold interest owners in the E½ of Section 15 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral leasehold 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 leasehold interests in the E½ of Section 15, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral leasehold interests underlying the E½ of Section 15 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 leasehold interests in the E½ of Section 15 from the surface to the base of the Morrow formation;

B. Designating applicant as operator of the well;

C. Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

E. 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 that reads "James Bruce". The signature is written in black ink and is positioned above a horizontal line.

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

Attorney for Samson Resources
Company

Proposed Advertisement

Case 13352: Application of Samson Resources Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 15, Township 21 South, Range 32 East, N.M.P.M., and in the following manner: The E $\frac{1}{2}$ to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent, including the Undesignated Hat Mesa-Morrow Gas Pool; the NE $\frac{1}{4}$ to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within that vertical extent; and the NE $\frac{1}{4}$ NE $\frac{1}{4}$ to form a standard 40-acre oil spacing and proration unit for any and all formations developed on 40-acre spacing within that vertical extent. The unit is to be dedicated to the proposed Mesa Verde Federal "15" Well No. 1, to be drilled at an orthodox location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ (Unit A) of Section 15. 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 unit is located approximately 6 $\frac{1}{2}$ miles southeast of the intersection of U.S. Highway 62/180 and State Highway 176.

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Santa Fe, NM 87505