

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION
OF CHESAPEAKE PERMIAN, L.P.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

OCD CASE NO. 13493

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Samson Resources Company
("Samson") in accordance with Rule 1208.B., 19 NMAC 15.N.

APPEARANCES OF PARTIES

APPLICANTS

Chesapeake Permian LP

ATTORNEYS

W. Thomas Kellahin
Kellahin & Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504

John Cooney
Earl DeBrine
Modrall, Sperling, Roehl, Harris & Sisk
P.O. Box 2168
Albuquerque, NM 87103-2168

PARTIES

Samson Resources Company

J.E. Gallegos
Gallegos Law Firm
460 St. Michael's Drive, Bldg. 300
Santa Fe, NM 87505
505-983-6686

Kaiser-Francis Oil Company

J. Scott Hall
Miller Stratvert, P.A.
P.O. Box 1986
Santa Fe, NM 87504-1986

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Mewbourne Oil Company

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504

To Samson's knowledge, no other party has entered an appearance or filed opposition in this matter.

SAMSON'S STATEMENT OF THE CASE

This is a companion case to Division Case No. 13492.

On March 10, 2005, Chesapeake Operating Inc. filed with the Division's Hobbs district office an Application for Permit to Drill (APD) its proposed KF State "4" Well No. 1 in the SE/4 of Section 4, T21S, R35E, NMPM, Lea County, New Mexico. The district office permitted the well without investigating whether Chesapeake had any interest or a right to drill the well. Chesapeake, its affiliates and working interest partners, own no interest in the SE/4 of Section 4, a fact recognized in Division Order No. R-12343 issued May 5, 2005 in Case No. 13492. Samson, Kaiser-Francis and Mewbourne are the lessees and parties with an interest in the SE/4 of Section 4 and thereby entitled to drill a well and develop the acreage.

Chesapeake is a bad faith trespasser. Notwithstanding that it owns no interest to authorize its entry onto the SE/4 of Section 4, Chesapeake began drilling its KF State "4" Well No. 1 on or about April 24, 2005. The Division by Order No. R-12343-A entered May 24, 2005 in Case No. 13492 granted Samson's and Kaiser-Francis' Motion to Prohibit production from the KF State "4" Well No. 1 prior to issuance of an approval unit. The well is designed to test the Morrow formation.

This force pooling application was filed April 29, 2005. It presents an effort by Chesapeake to (1) excuse itself from the consequences of its bad faith trespass, and (2)

insert itself into a spacing unit to share in production to which it is not entitled and to which it would contribute no productive acreage. Samson, Kaiser-Francis and Mewbourne are ready, willing and able to develop the acreage and test the Morrow formation.

Chesapeake's application should be denied for the following reasons:

1. Chesapeake is a bad faith trespasser. The Division should not sanction a trespass and reward a trespasser by approving this force pooling application.
2. Chesapeake has only partially complied with Division Order R-12343-A in Case No. 13492.
3. Chesapeake contributes no meaningful or productive acreage in its proposed unit. By this Application, Chesapeake is attempting to inject itself into a unit in which it otherwise has no entitlement.
4. Samson, Kaiser-Francis and Mewbourne are lessees/working interest owners in the SE/4 of Section 4. They have an approved operating agreement and a communitization agreement approved by the Commissioner of Public Lands, the mineral lessor, and are ready, willing and able to drill a well to test the Morrow formation and develop the acreage.
5. Geology and engineering do not support Chesapeake's Application.

PROPOSED EVIDENCE

SAMSON

WILL-CALL WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Rita Burress Landman	45 min.	5-10

Ron Johnson Geologist	45 min.	5-10
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Leo Gallegos Engineer	45 min.	5-10
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Counter exhibits may be presented to rebut, explain or otherwise address testimony or exhibits of Chesapeake or any other party who appears at the hearing.

Additional rebuttal witnesses may be called, depending on the evidentiary presentation made by Chesapeake or other parties appearing at the hearing.

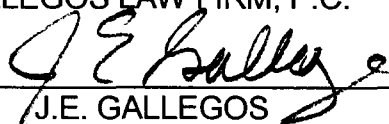
PROCEDURAL MATTERS

Division Case No. 13492 is an Application seeking cancellation of Chesapeake's APD. There is pending in that case a Motion to Enforce Subpoena Duces Tecum and for Sanctions. These matters should be heard before entertaining Chesapeake's Application for force pooling.

Respectfully submitted,

GALLEGOS LAW FIRM, P.C.

By



J.E. GALLEGOS

MICHAEL J. CONDON

460 St. Michael's Drive, Bldg. 300
Santa Fe, New Mexico 87505
(505) 983-6686

Attorneys for Samson Resources
Company

CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and correct copy of the foregoing to be mailed on this 10th day of June, 2005 to the following:

Gail MacQuesten
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87504

W. Thomas Kellahin
Kellahin & Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504

John Cooney
Earl DeBrine
Modrall, Sperling, Roehl, Harris & Sisk
P.O. Box 2168
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P.O. Box 1986
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James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504


MICHAEL J. CONDON