



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

September 18, 2006

Samson Resources Company
c/o Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-5453

Dear Mr. Bruce :

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS-0625856940**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 14, 2006, on behalf of Samson Resources Company (Samson), and

(b) the Division's records pertinent to Samson's request.

Samson has requested to drill its proposed Lea Federal Unit Well No. 27 at an unorthodox Bone Spring well location, 1150 feet from the South line and 700 feet from the East line (Unit P) of Section 11, Township 20 South, Range 34 East, N.M.P.M., in Lea County, New Mexico. The E/2 SE/4 of Section 11 will be dedicated to this well in order to form a standard 80-acre spacing and proration unit in the Lea-Bone Spring Pool (**37570**). This pool is governed by Division Orders No. R-1827 and R-1827-A, which provide for 80-acres units, with wells located within 150 feet of the center of a quarter-quarter section.

Your application on behalf of Samson has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

The proposed location is approximately 490 feet north of the center of the SE/4 SE/4 of Section 11. However, it is located in the south half of the 80-acre stand-up spacing unit and, accordingly, does not encroach toward any other unit. It is our understanding that Samson is seeking this location due to the existence of pipelines crossing the spacing unit that preclude drilling of a well at a standard location in this quarter-quarter section.

Since the encroachment is only internal within the spacing unit, no notice is required.

By the authority granted me under the provisions of Division Rule 104.F(2), and Order No. R-1827, the above-described unorthodox Bone Spring well location for Samson's proposed Lea Federal Unit Well No. 27 is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
United State BLM