



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

March 28, 2007

James Bruce, Esq.
Agent for Samson Resources Company
PO Box 1056
Santa Fe, NM 87504

RE: Loving 1 State Well No. 2 (API No 30-015-24429)
990 feet from the South Line, 2110 feet from the West line, Unit N
Section 1, Township 24 South, Range 27 East, NMPM, Eddy County
320 Acres, S/2 of Section 1 Dedication

Administrative Order NSL-5596

Dear Mr. Bruce:

Reference is made to the following:

- (a) your application (administrative application reference No. pTDS0706150756 for non-standard location [NSL]) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on March 1, 2007, on behalf of Samson Resources Company, OGRD 20165 ("Samson"); and
- (b) the Division's records pertinent to Samson's request.

Samson proposes to re-complete the above referenced well at the above referenced unorthodox gas well location within Section 1 and requests to produce from the Wolfcamp within a 320-acre spacing unit consisting of the S/2 of Section 1, Undesignated East Black River-Wolfcamp Gas Pool (97442). The proposed well would be the first well in this spacing unit. This well was first drilled as a Morrow gas test in 1983 and the location was orthodox at that time.

Division Rule 104.C(2) now requires deep gas wells located in southeast New Mexico to be located no closer than 660 feet from any quarter section line within any standard 320 acre spacing unit. This well location is internal to the S/2 of Section 1 gas spacing unit but unorthodox because it is located 530 feet from the eastern boundary of the SW/4 of Section 1. Being internal to the spacing unit, there are no adversely affected parties and no one was notified.

Division Rule 104.F allows the Division director to grant location exceptions in order to prevent waste and protect correlative rights. Your application on behalf of Samson has been duly filed and notice has been provided as required under the provisions of Division Rules 104.F and 1210.A. In order to prevent waste and protect correlative rights, the above-described non-standard deep gas well location in the Wolfcamp formation, Undesignated East Black River-Wolfcamp Gas Pool, is hereby approved.

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

Sincerely,



for Mark E. Fesmire, P.E.
Director

MEF/wvjj

cc: New Mexico Oil Conservation Division – Artesia
State Land Office – Oil, Gas, and Minerals Division