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May 23, 2005

VIA HAND DELIVERY

Mr. Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: **COG Operating, LLC**
Minis "1" Federal Well No. 4
2310' FNL & 330' FWL
Section 1, Township 21 South, Range 32 East, NMPM.
Lea County, New Mexico.

Dear Mr. Fesmire:

By Order No. R-12203, dated September 2, 2004, the Oil Conservation Division adopted Special Pool Rules and Regulations for the Southeast Hat Mesa-Delaware Pool. These rules provide for 160-acre spacing with wells to be drilled no closer than 660 feet to the outer boundary of the spacing unit. The pool boundaries comprise Lots 9, 10, 15 and 16 of Section 2, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. These Special Pool Rules and Regulations provide that each well completed in the Southeast Hat Mesa-Delaware Pool and each well completed in the Delaware formation within one mile thereof and not nearer to or within the limits of another designated Delaware pool shall be spaced, drilled, operated, and produced in accordance with these special rules. (Rule 1) A copy of Order No. R-12203 is attached hereto as Exhibit A.

On December 21, 2004, COG Operating LLC commenced drilling its Minis "1" Federal Well No. 4 (API NO. 30-025-36956) at a location 2310 feet from the North line and 330 feet from the West line of Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. A 40-acre tract comprised of Lot 5 of said Section 1 was dedicated to the Well. It is Samson's understanding that the well has been completed in and is producing from the Southeast Hat Mesa-Delaware Pool. A copy of COG's Acreage dedication plat (OCD Form C-102) and its Sundry Notice dated December 27, 2004, (BLM Form OMB No. 1004-0137) are attached hereto as Exhibits B and C.

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This well is at an unapproved unorthodox location on an unapproved non-standard spacing and proration unit. It is 330 feet from the boundary of the Southeast Hat Mesa-Delaware Pool. It directly offsets Samson's Minis "2" Federal Well No. 1 (API NO. 30-025-34449) and encroaches on the 160-acre spacing unit for this well comprised of Lots 9, 10, 15 and 16 of Section 2, Township 21 South, Range 32 East, NMPM.

Oil Conservation Division Rules 12 provides "...it shall be the responsibility of all the owners or operators to obtain information pertaining to the regulation of oil and gas before operations begin." COG Operating, LLC failed to comply with the rules of the Division. It did not obtain approval of either the unorthodox well location nor the non-standard spacing unit for the Minis "1" Federal Well No. 4 prior to drilling the well.

Oil Conservation Division Rule 104.D(2) provides that "Any well that does not have the required amount of acreage dedicated to it for the pool or formation in which it is completed may not be produced until a standard spacing unit for the well has been formed and dedicated or until a non-standard spacing unit has been approved." Emphasis added.

Samson Resources Company requests that the Oil Conservation Division immediately order COG Operating LLC to shut in the Minis "1" Federal Well No. 4 and that this well remain shut in until it is brought into compliance with the rules of the Oil Conservation Division.

Very truly yours,

William F. Carr
Attorney for Samson Resources Company

cc: COG Operating LLC
550 West Texas Ave., Suite 1300
Midland, Texas 79701

Mr. Chris Williams (By Facsimile)
District Supervisor
Oil Conservation Division
1625 North French Drive
Hobbs, New Mexico 88240
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