

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)
(505) 660-6612 (CELL)
(505) 982-2151 (FAX)

jamesbruc@aol.com

RECEIVED

JAN 13 2004

January 13, 2004

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

Hand Delivered

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

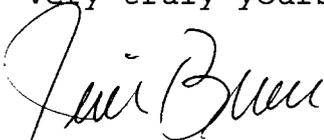
Case 13213

Dear Florene:

Enclosed for filing 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 February 5, 2004 Examiner hearing. Thank you.

The advertisement is also on the enclosed disk.

Very truly yours,



James Bruce

Attorney for Samson Resources Company

Parties Being Pooled

OXY USA WTP Limited Partnership
P.O. Box 50250
Midland, Texas 79710

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

JAN 13 2004

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

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

Case No.

13213

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 S½ of Section 8, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S½ of Section 8, and has the right to drill a well thereon.

2. Applicant proposes to drill its Dilly Bar "8" State Well No. 1, at an orthodox location in the SW¼SE¼ (Unit O) of Section 8, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:

(a) the SE¼ of Section 8 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, including the Undesignated North San Simon-Yates Associated Pool, Undesignated Wilson Yates-Seven Rivers Associated Pool, Undesignated Wilson-Wolfcamp Gas Pool, and Undesignated South Osudo-Wolfcamp Gas Pool; and

(b) the S½ of Section 8 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 North Grama Ridge-Wolfcamp

Gas Pool and Undesignated Osudo-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral leasehold interest owners in the S½ of Section 8 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 S½ of Section 8, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral leasehold interests underlying the S½ of Section 8 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 S½ of Section 8 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, appearing to read "James Bruce".

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

Attorney for Samson Resources
Company

PROPOSED ADVERTISEMENT

Case 18213: 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 acreage in Section 8, Township 21 South, Range 35 East, NMPM, and in the following manner: The S½ 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 North Grama Ridge-Wolfcamp Gas Pool and Undesignated Osudo-Morrow Gas Pool; and the SE¼ 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, including the Undesignated North San Simon-Yates Associated Pool, Undesignated Wilson Yates-Seven Rivers Associated Pool, Undesignated Wilson-Wolfcamp Gas Pool, and Undesignated South Osudo-Wolfcamp Gas Pool. The units will be dedicated to applicant's Dilly Bar "8" State Well No. 1, to be drilled at an orthodox location in the SW¼SE¼ (Unit O) of Section 8. 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 units are located approximately 7½ miles west-southwest of Oil Center, New Mexico.

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