

HOLLAND & HART^{LLP}



June 28, 2004

HAND-DELIVERED

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

Case 13289

2004 JUN 28 PM 3 28

Re: Amended Application of Samson Resources Company for Special Pool Rules for the Southeast Hat Mesa-Delaware Pool, Lea County, New Mexico

Dear Mr. Fesmire:

Enclosed is the Amended Application of Samson Resources Company in the above-referenced case as well as a copy of the legal advertisement. Samson Resources Company requests that this matter be placed on the docket for the July 22, 2004 Examiner hearings.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. Raymond L. Taylor
Samson Resources Company

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

**IN THE MATTER OF THE AMENDED APPLICATION
OF SAMSON RESOURCES COMPANY
FOR SPECIAL POOL RULES FOR THE
SOUTHEAST HAT MESA-DELAWARE POOL,
LEA COUNTY, NEW MEXICO.**

CASE NO. 13289

AMENDED APPLICATION

SAMSON RESOURCES COMPANY ("Samson"), by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order promulgating special pool rules and regulations on a temporary basis for the Southeast Hat Mesa-Delaware Pool, including 160-acre spacing and special well location requirements, and in support of this application states:

1. The Southeast Hat Mesa-Delaware Pool was established by Division Order No. R-11886, dated January 1, 2003, and includes the following acreage in Lea County, New Mexico:

Township 21 South, Range 32 East, N.M.P.M.

Section 2: Lots 9, 10, 15 and 16

2. The Samson Minis Federal Well No. 1 (API No. 30-025-34449) located 360 feet from the South line and 660 feet from the East line of Section 2, Township 21 South, Range 32 East, NMPM, is the only well producing from the Southeast Hat Mesa-Delaware Pool.

3. The Samson Minis 2 Federal Well No. 1 first produced from the Delaware formation in May 2002 through perforations from 7,910 feet to 7,920 feet. A standard 40-acre oil spacing unit is dedicated to the well and it is operated by Samson under statewide rules which provide for a depth bracket allowable of 187 barrels of oil per day. (Rule 505.A)

3. On January 9, 2003, the Oil Conservation Division granted the Minis 2 Federal Well No. 1 a discovery allowable of 35,465 barrels of oil to be produced over a two year period of time thereby effectively increasing the well's daily allowable to 241 barrels of oil per day.

4. The Minis 2 Federal Well No. 1 produces at rates in excess of the authorized depth bracket allowable and discovery allowable and is draining an area in excess of the 40-acres dedicated thereto.

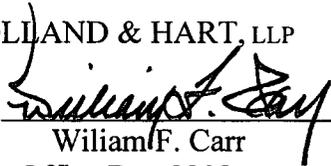
5. Samson seeks the adoption of special pool rules and regulations for the pool on a temporary basis including provisions for 160-acre spacing and proration units with to be located no closer than 660 feet to any outer boundary of such unit and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

6. Approval of this amended application will result in the production of hydrocarbons which otherwise will not be produced and will be in the best interest of conservation and the protection of correlative rights.

WHEREFORE, Samson Resources Company requests that this amended application be set for hearing before an Examiner of the Oil Conservation Division on July 22, 2004, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

William F. Carr

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Santa Fe, New Mexico 87504

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ATTORNEYS FOR SAMSON
RESOURCES COMPANY

CASE 13289 : (Continued and Re-advertised)

Amended Application of Samson Resources Company for Special Pool Rules for the Southeast Hat Mesa-Delaware Pool, Lea County, New Mexico. Applicant seeks the promulgation of Special Pool Rules and Regulations on a temporary basis for the Southeast Hat Mesa-Delaware Pool located in Lots 9, 10, 15 and 16 of Section 2 of Township 21 South, Range 32 East, including provisions for 160-acre spacing and proration units with wells to be located no closer than 660 feet to any outer boundary of such unit and no closer than 10 feet to any quarter-quarter section or subdivision inner boundary. Said pool is located approximately 32 miles southwest of Lovington, New Mexico