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June 25, 2004

Hand Delivered

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

Dear Florene:

Enclosed are an original and one copy of an application to abolish special pool rules, together with a proposed advertisement, filed on behalf of Samson Resources Company. Please set this matter for the July 22, 2004 Examiner hearing. Thanks.

The advertisement is also on the enclosed disk.

Very truly yours,

James Bruce

Attorney for Samson Resources Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF SAMSON RESOURCES COMPANY TO ABOLISH THE SPECIAL RULES AND REGULATIONS FOR THE TEAS-PENNSYLVANIAN GAS POOL, LEA COUNTY, NEW MEXICO.

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Case No. ____/3318

APPLICATION

Samson Resources Company applies for an order abolishing the Special Rules and Regulations for the Teas-Pennsylvanian Gas Pool (the "Pool"), and in support thereof, states:

1. Applicant is an operator in the Pool, which was created by Oil Conservation Commission Order No. R-2627, dated December 27, 1963. The Pool currently encompasses the following acreage:

Township 20 South, Range 33 East, N.M.P.M.

Section 11: All Section 12: W% Section 14: N%

- 2. Special Rules and Regulations for the Pool were adopted by Commission Order No. R-2627, as amended. The rules require (a) 320 acre well units, and (b) wells to be located no closer than 990 feet to the outer boundary of a well unit nor closer than 330 feet to a quarter-quarter section line.
- 3. Applicant requests that the Special Rules and Regulations for the Pool be abolished, and that the Pool henceforth be governed by the Division's statewide rules.
- 4. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the relief requested above be granted.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504 (505) 982-2043

Attorney for Samson Resources Company

PROPOSED ADVERTISEMENT

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Case 13308: Application of Samson Resources Company to abolish the Special Rules and Regulations for the Teas-Pennsylvanian Gas Pool, Lea County, New Mexico. Applicant seeks an order abolishing the Special Rules and Regulations for the Teas-Pennsylvanian Gas Pool, and making the Division's statewide spacing and well location rules applicable to the pool. The pool covers all or portions of Sections 11, 12, and 14, Township 20 South, Range 33 East, N.M.P.M. The pool is centered approximately 6 miles east-northeast of the intersection of State Highway 176 and U.S. Highway 62/180.