

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

2005 MAY 13 PM 2 40

IN THE MATTER OF THE APPLICATION
OF MEWBOURNE OIL COMPANY FOR
CANCELLATION OF A DRILLING PERMIT
AND APPROVAL OF A DRILLING PERMIT,
LEA COUNTY, NEW MEXICO

CASE NO. 13492

MOTION FOR TEMPORARY SUSPENSION OF APD

Samson Resources Company (Samson) and Kaiser-Francis Oil Company (Kaiser-Francis) through their undersigned counsel, move the Division enter its order temporarily suspending the APD issued to Chesapeake Operating, Inc. (Chesapeake) for the Cattleman "4" State Comm Well No. 1 (API No. 30-025-37150) that has been staked at a standard gas well location in Unit P (Lot 16) of irregular Section 4, T-21-S, R-35-E, NMPM, Lea County, New Mexico. In support of their motion, Samson and Kaiser Francis state:

1. Samson and Kaiser-Francis, along with Mewbourne Oil Company, are the working interest owners in Lots 9, 10, 15, 16 and the SE/4 of irregular Section 4, T-21-S, R-35-E, NMPM, Lea County, New Mexico (the "Subject Lands"). The Subject Lands have been previously consolidated pursuant to that Communization Agreement effective April 1, 2005 which has been approved by the Commissioner of Public Lands, and also pursuant to that Joint Operating Agreement entered into by Samson, Kaiser-Francis, and Mewbourne Oil Company dated March 24, 2005.

2. On May 9, 2005, Chesapeake Permian L.P. filed its application in Case No. 13505 to force pool unjoined interests into its proposed Cattleman "4" State Comm Well No. 1. The Chesapeake Permian application also proposes the creation of a standup 320-acre gas spacing

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and proration unit comprises of Lots 1, 2, 7, 8, 9, 10 and 16 in said Section 4. The unit proposed to be created by Chesapeake is in obvious conflict with the previously approved communitization and the unit that is formed under the Mewbourne/Kaiser-Francis/Samson Operating Agreement.

3. The proper orientation of the unit proposed in Case No. 13505 is directly implicated in Case No. 13492 (*In the Matter of the Application of Mewbourne Oil Company for Cancellation of a Drilling Permit and Approval of a Drilling Permit, Lea County, New Mexico*) and Case No. 13493 (*Application of Chesapeake Permian L.P. for Compulsory Pooling, Lea County, New Mexico*); KF "4" State Well No. 1. In its May 10, 2005 Motion to Dismiss in Case No. 13492, Chesapeake, itself, has pointed out that "spacing unit orientation" is the central issue in all these cases and that the spacing unit originally applied for by Mewbourne is "in direct conflict" with the spacing unit proposed by Chesapeake.

4. By proceeding to drill the Cattleman "4" State Comm Well No. 1, Chesapeake hopes to determine the unit orientation problem by *fait accompli*. Further, by doing so, Chesapeake hopes to avoid a hearing on the merits which would more properly determine unit configuration and the development of Section 4 on the basis of geologic and engineering testimony and evidence. Chesapeake should not be allowed to thwart the Division's processes in this manner.

5. As of this date, Chesapeake's proposed well consists of nothing more than a stake in the ground. Correspondingly, temporarily suspending Chesapeake's APD will cause neither harm nor prejudice to Chesapeake.

WHEREFORE, Samson Resources Company and Kaiser-Francis Oil Company request the Division immediately issue its order suspending Chesapeake Operating, Inc.'s APD for the

Cattleman "4" State Com Well No. 1 until the Division has had the opportunity to consider the presentation of evidence and legal arguments in Case No. 13492, 13493 and Case No. 13505.

Respectfully submitted,

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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to counsel of record on the 13 day of May, 2005, as follows:

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