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

JAMES BRUCE

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

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

Case No. 13213

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Samson Resources Company as required by the Oil Conservation Division.

APPEARANCES

APPLICANT
Samson Resources Company
Suite 1170
200 North Lorraine

200 North Lorraine Midland, Texas 79701

Attention: Peggy Kerr (432) 683-7063

OPPONENT

APPLICANT'S ATTORNEY
James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504

(505) 982-2043

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT
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 S% 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 SE% 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-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 SWMSEM (Unit O) of Section 8. Also to be

av35 =/4/04

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.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES Elizabeth Moses (landman)

EST. TIME

EXHIBITS

1. Land plat

2. Correspondence

3. AFE

4. Notice affidavit

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

James Bruce

Post Office Box 1056

Respectfully submitted,

\$anta Fe, New Mexico 87504

(505) 982-2043

Attorney for Samson Resources Company