STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

CASE NO. 13,289

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

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

RECEIVED

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

AUG 5 2004

July 22nd, 2004

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

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, July 22nd, 2004, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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REPORTER'S CERTIFICATE

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EXHIBIT

Applicant's

Identified

Admitted

Exhibit 1

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APPEARANCES

FOR THE APPLICANT:

HOLLAND & HART, L.L.P., and CAMPBELL & CARR 110 N. Guadalupe, Suite 1 P.O. Box 2208 Santa Fe, New Mexico 87504-2208 By: MICHAEL H. FELDEWERT

* * *

WHEREUPON, the following proceedings were had at 1 2 8:41 a.m.: EXAMINER STOGNER: At this time I'll call Case 3 4 Number 13,289 which is the amended Application of Samson Resources Company for special pool rules for the Southeast 5 Hat Mesa-Delaware Pool, Lea County, New Mexico. 6 7 Now, it's my understanding this case was heard on 8 June 24th, 2004, by David Catanach, and at this time --9 this case has been continued and readvertised. At this 10 time I'll call for appearances. 11 MR. FELDEWERT: May it please the Examiner, Michael Feldewert with the Santa Fe office of the law firm 12 13 of Holland and Hart, appearing on behalf of the Applicant, Samson Resources Company. And I have no witnesses. 14 15 EXAMINER STOGNER: Any other appearances? Mr. Feldewert? 16 17 MR. FELDEWERT: Mr. Examiner, you're correct, 18 this case was heard by Mr. Catanach on June 24th, 2004. 19 Testimony was presented at that time. 20 At the conclusion of that hearing it was 21 determined that the Application should be amended to 22 include special well-location requirements. As a result, 23 the case was continued. The amended Application was filed, and the case was readvertised. 24

There's only one affected party to this

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Application, and that is the Applicant. The pool is 1 comprised entirely of federal land. As a result, the BLM 2 was notified of this Application, and I have, if I may 3 approach, what's been marked as Samson Exhibit Number 1, 4 5 which is the Affidavit, notice of hearing. 6 EXAMINER STOGNER: Now, this is Exhibit Number 1 for today's hearing, or is this a copy of what was 7 presented on June 24th? 8 9 MR. FELDEWERT: I'm sorry, this is Exhibit Number 10 1 for today's hearing. 11 EXAMINER STOGNER: Okay, when I refer down there 12 at the bottom of the page where it shows "Hearing Date", 13 that should be -- do we need to change that? 14 MR. FELDEWERT: Today's date. 15 EXAMINER STOGNER: Okay, so I can strike that --16 MR. FELDEWERT: Strike June 24th. 17 EXAMINER STOGNER: -- and put July 22nd, 2004. 18 I'll make a little notation on my copy and provide that, 19 with my initials, to the reporter. 20 Not to be confused with Exhibit Number 1 that was 21 presented on the June 24th hearing. 22 MR. FELDEWERT: Yeah, just for the record, this 23 would be the affidavit that was executed by Mr. Carr on 24 July the 21st, 2004. 25 EXAMINER STOGNER: And that was just to the BLM?

MR. FELDEWERT: Correct. 1 2 EXAMINER STOGNER: In Roswell. MR. FELDEWERT: As a result, Mr. Examiner, this 3 case is now ripe for decision, so we move the admission of 4 5 what's been marked today as Samson Exhibit Number 1 and ask the case be taken under advisement and the Division issue 6 7 an order approving Samson's Application. 8 EXAMINER STOGNER: This Exhibit Number 1 that's presented here today, July 22nd, 2004, will be admitted 9 into evidence at this time and placed in the record in Case 10 13,289. 11 At this time Case Number 13,289 will be taken 12 under advisement, and I shall supply this to Mr. Catanach, 13 who will be the Hearing Officer to wrap that order. 14 15 Anything else further in this matter? 16 MR. FELDEWERT: No, Mr. Examiner. 17 (Thereupon, these proceedings were concluded at 18 8:44 a.m.) 19 20 I do hereby certify that the foregoing le a complete record of the proceedings 21 the Exampler Waring of Case No. 13289. July 22, 2004 22 _, Examiner 23 Oil Conservation Division 24 25

CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL July 23rd, 2004.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 16th, 2006