

**JAMES BRUCE**  
ATTORNEY AT LAW

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jamesbruc@aol.com

RECEIVED

SEP 14 2004

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

September 14, 2004

Hand Delivered

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

*Case 13353*

Dear Florene:

Enclosed are an original and one copy of an application for compulsory pooling, together with a proposed advertisement, filed on behalf of Samson Resources Company. Please set this matter for the October 7, 2004 Examiner hearing. Thanks.

The advertisement has also been e-mailed to you.

Very truly yours,

  
James Bruce

Attorney for Samson Resources Company

PARTIES BEING POOLED

Jalapeno Corporation  
P.O. Box 1608  
Albuquerque, NM 87103

Cibola Energy Corporation  
P.O. Box 1668  
Albuquerque, NM 87103

Mr. Fred Yates  
Yates Energy Corporation  
P.O. Box 2323  
Roswell, NM 88202

Harvey E. Yates Company  
P.O. Box 1608  
Albuquerque, NM 87103

Mr. Phillip R. Bass  
Bass Mineral Trust d 10/22/2001  
P.O. Box 278  
Steelville, MO 65565

Ms. Wirtaine Sparks

Ms. Virginia Schuitema Hair  
Hair Family Trust d. 3/20/2001  
5700 N. Moccasin Tr.  
Tucson, AZ 85750

Mrs. Margaret Rhea  
8917 Livenshire  
Dallas, TX 75238

Ms. Jo Sue Starkweather  
6976 CR 3219  
Lone Oak, TX 75453

Ms. Betty Jean Neighbors  
404 South Susan Ave.  
Wagoner, OK 74467

Fair Oil, LC  
P.O. Box 689  
Tyler, TX 75710

Mr. Terence P. Perkins  
7501 Lynwood NM  
Albuquerque, NM 87120

Ms. Paula Dooley  
Estate of William Dooley  
P.O. Box 37  
Loco Hills, NM 88255

Mr. and Mrs. Paul Slayton  
P.O. Box 2035  
Roswell, NM 88202

Sharbro Oil Ltd. Co.  
P.O. Box 840  
Artesia, NM 88211

Sacramento Partners Limited  
Partnership  
105 S. 4th  
Artesia, NM 88210

Mr. John A. Yates  
104 S. 4th  
Artesia, NM 88210

Mr. John A. Yates  
Trust Q u/w/o Peggy A. Yates  
104 S. 4th  
Artesia, NM 88210

Mr. Robert G. Armstrong  
Co-Trustee of Todd Memorial Trust  
P.O. Box 1973  
Roswell, NM 88202

Rialto Production Company  
1331 Lamar, #1580  
Houston, TX 77010

Westway Petro  
500 N. Akard St., Lock Box 70  
Dallas, TX 75201

Mr. Robert Watson  
Read & Stevens, Inc.  
P.O. Box 1518  
Roswell, NM 80202

RECEIVED

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SAMSON RESOURCES  
COMPANY FOR COMPULSORY POOLING  
AND APPROVAL OF AN UNORTHODOX  
GAS WELL LOCATION, EDDY COUNTY,  
NEW MEXICO.

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

Case No. 13353

*original*  
APPLICATION

*Except the  
Strawn*

Samson Resources Company applies for an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying the E $\frac{1}{2}$  of Section 17, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and approving an unorthodox gas well location, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$  of Section 17, and has the right to drill or re-enter a well thereon.

2. Applicant proposes to re-enter the Sand Tank "17" Fed. Com. Well No. 1, located 2310 feet from the north line and 660 feet from the east line (Unit H) of Section 17, to test the Morrow formation, and seeks to dedicate the E $\frac{1}{2}$  of Section 17 to the well 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 Sand Tank Strawn Gas Pool~~ and the Undesignated Sand Tank-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E $\frac{1}{2}$  of Section 17 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the

drilling of the well, or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interests in the E½ of Section 17, pursuant to NMSA 1978 §70-2-17.

5. The existing well was at an orthodox location when drilled, but under current Division regulations the location is unorthodox.

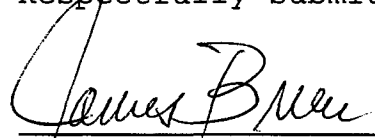
6. The pooling of all mineral interests underlying the E½ of Section 17, and approval of the unorthodox location, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral leasehold in the E½ of Section 17 from the base of the Bone Spring formation to the base of the Morrow formation;  
*Except the STRAWN*
- B. Approving the unorthodox gas well location;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Samson Resources  
Company

Proposed Advertisement

*original*

*except the  
Strawn*

**Case 13353:** Application of Samson Resources Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying the E½ of Section 17, Township 18 South, Range 30 East, N.M.P.M., to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent, including the ~~Undesignated Sand Tank-Strawn Gas Pool~~ and Undesignated Sand Tank-Morrow Gas Pool. The unit is to be dedicated to the existing Sand Tank "17" Fed. Com. Well No. 1, located at an unorthodox location 2310 feet from the north line and 660 feet from the east line (Unit H) of Section 17. Also to be considered will be the cost of re-entering 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 re-entering and completing the well. The unit is located approximately 5 miles south-southwest of Loco Hills, New Mexico.

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

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jamesbruc@aol.com

2004 OCT 12 PM 4 38

October 12, 2004

*Case 13353*

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 amended application for compulsory pooling, together with a proposed advertisement, filed on behalf of Samson Resources Company. Please set this matter for the November 4, 2004 Examiner hearing. Thanks.

The advertisement has also been e-mailed to Sally.

Very truly yours,

  
James Bruce

Attorney for Samson Resources Company

EXHIBIT A

Jalapeno Corporation  
P.O. Box 1608  
Albuquerque, NM 87103

Cibola Energy Corporation  
P.O. Box 1668  
Albuquerque, NM 87103

Mr. Fred Yates  
Yates Energy Corporation  
P.O. Box 2323  
Roswell, NM 88202

Harvey E. Yates Company  
P.O. Box 1608  
Albuquerque, NM 87103

Mr. Phillip R. Bass  
Bass Mineral Trust d 10/22/2001  
P.O. Box 278  
Steelville, MO 65565

Ms. Wirtaine Sparks  
5430 Jackwood  
HOUSTON, TX 77096

Ms. Virginia Schuitema Hair  
Hair Family Trust d. 3/20/2001  
5700 N. Moccasin Tr.  
Tucson, AZ 85750

Mrs. Margaret Rhea  
8917 Livenshire  
Dallas, TX 75238

Ms. Jo Sue Starkweather  
6976 CR 3219  
Lone Oak, TX 75453

Ms. Betty Jean Neighbors  
404 South Susan Ave.  
Wagoner, OK 74467

Fair Oil, LC  
P.O. Box 689  
Tyler, TX 75710

Mr. Terence P. Perkins  
7501 Lynwood NM  
Albuquerque, NM 87120

Ms. Paula Dooley  
Estate of William Dooley  
P.O. Box 37  
Loco Hills, NM 88255

Mr. and Mrs. Paul Slayton  
P.O. Box 2035  
Roswell, NM 88202

Sharbro Oil Ltd. Co.  
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Artesia, NM 88211

Sacramento Partners Limited  
Partnership  
105 S. 4th  
Artesia, NM 88210

Mr. John A. Yates  
104 S. 4th  
Artesia, NM 88210

Mr. John A. Yates  
Trust Q u/w/o Peggy A. Yates  
104 S. 4th  
Artesia, NM 88210

Mr. Robert G. Armstrong  
Co-Trustee of Todd Memorial Trust  
P.O. Box 1973  
Roswell, NM 88202

Rialto Production Company  
P.O. Box 61206  
Houston, Texas 77208

Westway Petro  
500 N. Akard St., Lock Box 70  
Dallas, TX 75201

Mr. Robert Watson  
Read & Stevens, Inc.  
P.O. Box 1518  
Roswell, NM 80202

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SAMSON RESOURCES  
COMPANY FOR COMPULSORY POOLING  
AND APPROVAL OF AN UNORTHODOX  
GAS WELL LOCATION, EDDY COUNTY,  
NEW MEXICO.

2004 OCT 12 PM 4 38

Case No. 13,353

AMENDED APPLICATION

Samson Resources Company applies for an order pooling all mineral interests from the top of the Bone Spring formation to the base of the Morrow formation, except the Strawn formation, underlying the E½ of Section 17, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and approving an unorthodox gas well location, and in support thereof, states:

1. Applicant is an interest owner in the E½ of Section 17, and has the right to drill or re-enter a well thereon.

2. Applicant proposes to re-enter the Sand Tank "17" Fed. Com. Well No. 1, located 2310 feet from the north line and 660 feet from the east line (Unit H) of Section 17, to test the Morrow and other formations, and seeks to dedicate the E½ of Section 17 to the well 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 Sand Tank-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E½ of Section 17 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in re-

entering the well, or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interests in the E½ of Section 17, pursuant to NMSA 1978 §70-2-17.

5. The existing well was at an orthodox location when drilled, but under current Division regulations the location is unorthodox, and applicant requests approval of the now-unorthodox location.

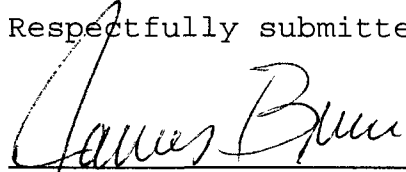
6. The pooling of all mineral interests underlying the E½ of Section 17, and approval of the unorthodox location, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interest owners in the E½ of Section 17 from the top of the Bone Spring formation to the base of the Morrow formation, except the Strawn formation;
- B. Approving the unorthodox gas well location;
- C. Designating applicant as operator of the well;
- D. Considering the cost of re-entering and completing the well, and allocating the cost thereof among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Samson Resources  
Company

Proposed Advertisement

**Case 13353 (Readvertised):** Application of Samson Resources Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Bone Spring formation to the base of the Morrow formation, except the Strawn formation, underlying the E½ of Section 17, Township 18 South, Range 30 East, N.M.P.M., to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent, including the Undesignated Sand Tank-Strawn Gas Pool and Undesignated Sand Tank-Morrow Gas Pool. The unit is to be dedicated to the existing Sand Tank "17" Fed. Com. Well No. 1, located at an unorthodox location 2310 feet from the north line and 660 feet from the east line (Unit H) of Section 17. Also to be considered will be the cost of re-entering 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 re-entering and completing the well. The unit is located approximately 5 miles south-southwest of Loco Hills, New Mexico.

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