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Case 13491

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April 26, 2005

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

Dear Florene:

Enclosed for filing, on behalf of Samson Resources Company, are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the May 19, 2005 hearing. Thanks.

Xery truly yours,

James Bruce

Attorney for Samson Resources Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION 2005 APR 27 AM 8 56

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

Case No. /3 49/

APPLICATION

Samson Resources Company applies for an order pooling all mineral interests from 4000 to 13,693 feet subsurface underlying the N½ of Section 15, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

- 1. Applicant is an interest owner in the $N\frac{1}{2}$ of Section 15, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Bandit "15" Fed. Well No. 1, at an orthodox location in the NE¼NE¼ of Section 15, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:
 - (a) The NE½NE½ to form a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, including the Undesignated Teas-Delaware Pool and Undesignated Teas-Bone Spring Pool;
 - (b) The NE¼ to form a standard 160 acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and
 - (c) The N½ to form a 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Undesignated Teas-Pennsylvanian Gas Pool.

- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N½ of Section 15 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 interest owners in the N½ of Section 15, pursuant to NMSA 1978 §70-2-17.
- 5. The pooling of all mineral interests underlying the N½ of Section 15 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 interests in the N½ of Section 15, from 4000 to 13,693 feet subsurface;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. 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,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Samson Resources Company

PROPOSED ADVERTISEMENT

Case No. 13491 Applicant of Samson Resources Company for compulsory pooling, Lea County, New Mexico: Samson Resources Company seeks an order pooling all mineral interests from 4000 to 13,693 feet subsurface underlying the following described acreage in Section 15, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, and in the following morning: The N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Teas-Pennsylvanian Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the NE/4NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Teas-Delaware Pool and Undesignated Teas-Bone Spring Pool. The units are to be designated to the Bandit "15" Federal Well No. 1, to be located at an orthodox well location in the NE/4NE/4 of Section 15. Also to be 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. The units are located approximately 5-1/2 miles east-northeast of Halfway, New Mexico.