

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Oil Conservation Division  
1220 S. St. Francis Drive

Case No. Santa Fe, NM 87505 / 3207

APPLICATION

Samson Resources Company applies for an order pooling all mineral leasehold interests from the surface to the base of the Morrow formation underlying the N $\frac{1}{2}$  of Section 15, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and approving an unorthodox gas well location, 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 a location approximately 810 feet from the north line and 660 feet from the east line (in Unit A) of Section 15, to a depth sufficient to test the Morrow formation, and seeks to dedicate the N $\frac{1}{2}$  of Section 15 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 Teas-Pennsylvanian Gas Pool, Undesignated East Gem-Morrow Gas Pool, and Undesignated Quail Ridge-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral leasehold interest owners in the N $\frac{1}{2}$  of Section 15 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral leasehold 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 leasehold interests in the N½ of Section 15, pursuant to NMSA 1978 §70-2-17.

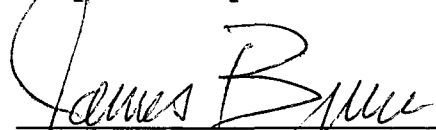
5. Well locations are restricted in the N½ of Section 15, because it is in the oil-potash area. The Teas-Pennsylvanian Gas Pool is subject to special rules and regulations requiring wells to be located no closer than 990 feet to a quarter section line nor closer than 330 feet to a quarter-quarter section line. See Division Order No. R-2627. The Quail Ridge-Morrow Gas Pool is subject to special rules and regulations requiring wells to be located no closer than 1980 feet to the end line of a well unit nor closer than 660 feet to the side line of a well unit. See Division Order No. R-3890. As a result, the proposed well location may be unorthodox, and applicant requests unorthodox location approval in the Teas-Pennsylvanian Gas Pool and Quail Ridge-Morrow Gas Pool.

6. The pooling of all mineral leasehold interests underlying the N½ of Section 15, and approval of the unorthodox locations, 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 interests in the N½ of Section 15 from the surface to the base of the Morrow formation;
- B. Approving the unorthodox gas well locations;
- 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,



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