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June 20, 2002

New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re : Division Rule 402

Samson Resources Company is the operator of natural gas wells in the State and would favor the repeal of Division Rule 402.

The observation of shut-in pressures of 24 hours in duration is not providing any useful data for any purpose. As the industry completes and produces increasing numbers of "tight" reservoirs, shut-in pressures of 24 hours in duration are not providing accurate representations of static reservoir pressure. Therefore, such data has no utility for the purpose of appropriately determining remaining natural gas recovery by the use of material balance techniques.

As wells mature, shut-in periods of any duration may require substantial efforts to return those wells to production (protracted field personnel attention, blowing to pit, soaping, swabbing, etc.). In extreme cases, shut-in may jeopardize the recovery of all remaining reserves due to an inability to re-establish commercial producing rates. Producers are all constantly attempting to operate more intelligently and economically to continue to deliver natural gas to the consumer.

Based upon these concerns, Samson Resources Company would urge the Energy, Minerals and Natural Resources Department to repeal Division Rule 302.

Respectfully,


Raymond L. Taylor
Reservoir Engineer

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
OCD Exhibit No. 3
Case No. 12934

OIL CONSERVATION DIV.
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