

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION)	
OF THE APPLICATION OF SAMSON)	
RESOURCES COMPANY)	
POWDER WASH FIELD)	CAUSE NO. 207
MOFFAT COUNTY, COLORADO)	DOCKET NO. 0502-AW-08

VERIFIED APPLICATION

COMES NOW the Applicant, Samson Resources Company, by and through its attorneys, Poulson, Odell & Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order to permit, at the option of the operator, an additional well to be drilled and completed in the Fort Union Formation in certain drilling and spacing units in the Powder Wash Field, Moffat County, Colorado. In support thereof, Samson Resources Company states as follows:

APPLICATION LANDS

I

Applicant is the owner of oil and gas leases and the operator of wells producing from the Fort Union Formation in the Powder Wash Field in the following described lands:

Township 11 North, Range 97 West, 6th P.M.
Section 16: All

These lands are referred to as the Application Lands.

EXISTING ORDERS

II

In Cause No. 207, Order No. 207-2 dated January 16, 1968, the Oil and Gas Conservation Commission established drilling units in the Application Lands, among other lands, for production of oil and gas from the Fort Union Formation. The order establishes drilling units of 160 acres for the production of oil and gas from the Fort Union Formation consisting of a quarter section of land, according to the government survey thereof; provides that the permitted location for each well in such drilling unit shall be the center of the NE/4 or the SW/4 of each quarter section; and provides that a tolerance of 200 feet in any direction is permitted for surface hazards. The order states that any producing well drilled prior to December 19, 1967 is the permitted well for the drilling unit upon which it is located.

In Cause No. 207, Order No. 207-3 dated April 10, 1981, as of March 16, 1981, the Oil and Gas Conservation Commission of the State of Colorado expanded the lands included in the Powder Wash Field in Moffat County, Colorado.

In Cause No. 207, Order No. 207-4 dated December 10, 1985, as of November 18, 1985, the Oil and Gas Conservation Commission of the State of Colorado rescinded Order No. 207-2 as to two 160-acre drilling units, neither of which is in the Application Lands.

EXISTING WELLS

III

The following wells have been drilled to the Fort Union Formation in the Application Lands:

State of Colorado #1 (API #05-081-05705) located 810 FNL and 785 FEL, completed February 12, 1966.

Chapman State #1 (API #05-081-07015) located 3,300 FNL and 760 FEL, completed June 29, 1966.

State of Colorado #2 (API #05-081-05704) located 2,040 FNL and 1,800 FWL, completed October 31, 1966.

Chapman State #2 (API #05-081-07013) located 660 FSL and 2,080 FWL, completed December 12, 1966.

APPLICATION

IV

Subsequent operation of the wells producing from the Fort Union Formation in the Application Lands has provided geologic and engineering evidence to the effect that in the Application Lands one well producing from the Fort Union Formation will not efficiently and economically drain an area of 160 acres. Based upon Applicant's analysis of existing data, Applicant asserts that two wells may be required in each such drilling unit to drain the Fort Union Formation efficiently and economically. Applicant requests that, at the option of the operator, one additional well be permitted to be drilled to and completed in the Fort Union Formation in each 160-acre drilling unit in the Application Lands, with the result that up to two wells can be drilled to and completed in the Fort Union Formation in each drilling unit. Applicant alleges that two wells in each 160-acre drilling unit will prevent waste and assure the greatest ultimate recovery of oil and gas. Applicant alleges that each such drilling unit is not smaller than the maximum area that can be efficiently and economically drained by two wells producing from the Fort Union Formation, and that the correlative rights of all parties will be protected. Applicant further alleges that the additional wells may be drilled in a manner consistent with the protection of public health, safety and welfare.

V

Order No. 207-2 provides that the well in each drilling unit is to be located in the center of the NE/4 or the SW/4 of the drilling unit, with a tolerance of up to 200 feet for surface considerations. Each of the wells identified above in Article III was producing prior to December 19, 1967, and is a permitted well for the drilling unit for which it is located.

Applicant alleges that the location of the wells in accordance with the existing order is not appropriate with respect to its application to locate two wells in each drilling unit. Instead, Applicant alleges the location of any wells in each drilling unit shall be located no closer than 600 feet to the outer boundary of the unit, and no closer than 900 feet to another well producing from the Fort Union Formation in the same drilling unit.

VI

The Application Lands may contain archeological sites. Applicant may be required to modify a well location to avoid interference with an archeological site. Therefore, applicant requests the Commission to authorize the Director to grant an exception to the well location setbacks proposed in this Application up to and including 100 feet, but not beyond, for archaeological reasons without notice and hearing and without the necessity to obtain the consent of the lease owners or the mineral interest owners of the lands toward which the well is proposed to be moved.

VII

Portions of the Application Lands include extreme topographic relief. Applicant may be required to modify a well location for topographic reasons. Therefore, applicant requests the Commission to authorize the Director to grant an exception to the well location setbacks proposed in this Application up to and including 100 feet, but not beyond, for topographic reasons without notice and hearing and without the necessity to obtain the consent of the lease owner or the mineral interest owners of the lands toward which the well location is proposed to be moved.

VIII

To prevent waste, to protect the correlative rights, to ensure the proper and efficient development of the Fort Union Formation in the Application Lands, and to ensure the greatest ultimate recovery of gas and associated hydrocarbon substances from the Fort Union Formation in the Application Lands, applicant requests that, after notice and hearing as provided by law, the Commission issue its order providing (i) that at the option of the operator, two wells may be drilled to and completed in the Fort Union Formation in each 160-acre drilling unit in the Application Lands; (ii) that Order No. 207-2 be modified to provide that any well drilled subsequent to the entry of the order be no closer than 600 feet from the outer boundary of the drilling unit and no closer than 900 feet from another well producing or producible from the same formation; (iii) that the Director be authorized, without additional notice and hearing or consent, to grant an exception to the well location setbacks up to and including 100 feet, but not beyond, to avoid archeological sites; and (iv) that the Director be authorized, without additional notice and hearing or consent, to grant an exception to the well location setbacks up to and including 100 feet, but not beyond, for topographic reasons.

GENERAL PROVISIONS

IX

Applicant states that to the best of its information and belief Exhibit A attached to this Verified Application is the list of the names of owners required to be notified in accordance with Commission Rule 507 related to this Application.

X

WHEREFORE, Applicant respectfully requests that this matter be set for hearing by the Commission; that notice hereof be given as required by law; and that upon hearing this Commission issue its order granting this Application as requested.

Applicant further requests that the Commission in its order grant such other provisions as the Commission may find to be necessary or desirable in the cause.

DATED this 27th day of December, 2004.

Respectfully submitted,

Samson Resources Company

BY:

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Applicant's Address

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VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

Kerry Heerssen, Landman of Samson Resources Company, upon oath, deposes and says that he has read the foregoing Verified Application before the Oil and Gas Conservation Commission of the State of Colorado, and states that the matters contained therein are true to the best of his knowledge and belief.

Kerry Heerssen

Subscribed to and sworn to before me this _____ day of December, 2004 by Kerry Heerssen, Landman of Samson Resources Company.

My Commission expires:

Notary Public

Date

Address

City/State/Zip