

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

IN THE MATTER OF THE APPLICATION OF)	
SAMSON INVESTMENT COMPANY FOR AN)	
ORDER ALLOWING OPTIONAL THIRD AND)	
FOURTH WELLS IN ESTABLISHED DRILLING)	CAUSE NO. 112
AND SPACING UNITS COVERING THE)	
FRUITLAND COAL SEAM FORMATION,)	Docket No. _____
IGNACIO-BLANCO FIELD, LA PLATA)	
COUNTY, COLORADO)	

APPLICATION

COMES NOW Samson Investment Company (referred to herein as “Applicant”), by and through its undersigned attorneys, makes application to the Oil and Gas Conservation Commission of the State of Colorado, for an order to permit an optional third and fourth well in the established drilling and spacing units for the Fruitland Coal Seam formation. In support thereof, the Applicant states and alleges as follows:

1. That the Applicant is the owner of numerous leasehold interests in La Plata County, Colorado, located within the area requested for spacing.
2. That the Applicant is requesting that two (2) option wells be permitted in the existing drilling and spacing units of 320 acres for the Fruitland Coal Seam formation covering the lands in La Plata County, Colorado, as described on Exhibit A attached hereto and incorporated by reference.
3. That insofar as this Application concerns lands within the jurisdiction of the Southern Ute Indian Tribe, it is submitted to this Commission in accordance with the terms of the Memorandum of Understanding dated August 22, 1991 between the Bureau of Land Management (“BLM”) and this Commission and separate Memorandum of Understanding dated August 22, 1991 between the Bureau of Indian Affairs, the BLM and the Southern Ute Indian Tribe. In certain of the lands described on Exhibit A, the Southern Ute Indian Tribe owns surface interests and mineral interests underlying such lands.
4. In support of the requested order, Applicant asserts that two wells will not efficiently and economically drain each of the 320-acre drilling and spacing units contained in Exhibit A, and that additional wells are necessary to prevent waste, protect correlative rights and to recover gas and associated hydrocarbons from the Fruitland coal formation all in accordance with the Colorado statutes, the rules and regulations of this Commission and, with respect to Tribal lands, applicable rules and regulations of the BLM.
5. On June 15, 1988, the Commission issued Order No. 112-60 which established 320-acre drilling and spacing units for production of gas from the Fruitland Coal Seam formations. Said units shall remain as previously established. Moreover, on May 15, 2000 the Commission issued Order No. 112-156 which permitted a second Fruitland Coal Seam Formation well in each 320-acre drilling and spacing unit with such additional wells being located no closer than 990 feet to any outer boundary of the unit, nor closer than 130 feet to any interior quarter section line. Applicant proposes that an optional third and fourth well in each 320-acre unit be drilled, completed or recompleted in the operator's discretion no closer than 660 feet to any outer boundary of the unit with no setback required to any interior quarter section line.
6. That the surface location of each of the optional wells shall be located on a common or expanded pad with the existing well such that a total of four Fruitland coal well pads shall be authorized in each governmental section.
7. That the Director may after notice and hearing approve exceptions to permitted well locations due to topography or surface hazards or the recompletion of wells previously drilled at

permitted locations, provided that appropriate notice of such exception location is afforded to offset owners as required by Commission rules.

8. Applicant further states that the requested additional wells can be developed in a manner consistent with protection of public health, safety and welfare. To this end, while not required by the Commission's Rules, Applicant shall propose a Health, Safety and Welfare Plan ("HS&W Plan") which shall apply to operations on lands not within the jurisdiction of the Southern Ute Indian Tribe. The Applicant requests a finding by the Commission that the HS&W Plan adequately addresses concerns related to the environment and public health, safety and welfare not otherwise addressed by Commission Rule on such non-tribal lands. Moreover, Applicant will commit to the Southern Ute Indian Tribe that new compressor installations shall use the best available emission control technology and shall also provide a plan to the Tribe to evaluate the modification of older compression installation emission technology in the Application area over the next five (5) years.

9. Exhibit B attached hereto and made part hereof is the list of the names of "Owners" required to be notified in accord with Commission Rule 508(a), including within the areas covered by this Application. To the best of Applicant's knowledge and belief, Exhibit B contains the names of all such owners.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice thereof be given as required by law and that upon such hearing this Commission enter its order:

A. Establishing that up to four (4) Fruitland Coal wells may be completed in each 320-acre drilling and spacing unit for gas and associated hydrocarbons from the Fruitland Coal Seam formation underlying the lands set forth on Exhibit A with the third and fourth wells being optional wells in the discretion of the operator located as provided in paragraph 5 and 6 subject to the Director approving exceptions for the permitted well locations as provided in paragraph 7 above.

B. That Applicant's HS&W Plan shall be incorporated as part of the Commission Order concerning non-tribal operations on lands outside of the jurisdiction of the Southern Ute Indian Tribe.

C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 12th day of September, 2005.

Respectfully submitted,

SAMSON INVESTMENT COMPANY

By: _____
Michael J. Wozniak
BEATTY & WOZNIAK, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499

Applicants' Address:

370 17th Street, Suite 3000
Denver, CO 80202

VERIFICATION

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

Craig A. Reid, of lawful age, being first duly sworn upon oath, deposes and says that he is the Manager, San Juan Basin for Samson Investment Company and that he has read the foregoing Application and that the matters therein contained are true to the best of my knowledge, information and belief.

Craig A. Reid

Subscribed and sworn to before this ____ day of September, 2005.

Witness my hand and official seal.
My commission expires:

Notary Public

EXHIBIT A

Legal Description
80-acre Infill Application Area

Township 32 North, Range 7 West

Section 3: S/2
Section 4: All
Section 5: N/2
Section 6: All
Section 9: All
Section 10: All
Section 16: S/2
Section 21: All
Section 22: All
Section 23: W/2

Township 33 North, Range 7 West

Section 10: All
Section 15: All
Section 22: All
Section 23: S/2
Section 25: All
Section 29: W/2
Section 30: S/2
Section 31: All
Section 32: All
Section 33: All

Township 33 North, Range 8 West

Section 3: S/2
Section 5: S/2

Section 8: W/2
Section 9: E/2
Section 10: S/2
Section 14: W/2
Section 15: N/2
Section 16: W/2
Section 17: E/2
Section 19: N/2
Section 22: S/2
Section 23: S/2
Section 24: All
Section 25: S/2
Section 26: All
Section 28: All
Section 29: All
Section 30: W/2
Section 35: All
Section 36: All

Township 33 North, Range 9 West

Section 12: E/2
Section 36: W/2

Township 34 North, Range 7 West

Section 12: All
Section 13: All
Section 14: All
Section 24: N/2
Section 35: S/2

EXHIBIT B

Interested Parties

ALLAN PRYCE SIEBERT 9 RIVER RIDGE NO LITTLE ROCK AR 72207	ELIZABETH SCHULTZ RICHTER ELM RIDGE EXPLORATION CO, LLC 12225 GREENVILLE AVE, STE 950 DALLAS TX 75243-9362	JONES CREDIT SHELTER TRUST C/O SABINE JONES P. O. BOX 429 TEMPLETON CA 93465-0429
AMERADA HESS CORPORATION P. O. BOX 2040 HOUSTON TX 77252-2040	ENERVEST ENERGY INSTITUTIONAL FUND, IX, L.P. % ENERVEST OPERATING LLC 1001 FANNIN, SUITE 800 HOUSTON TX 77002-6707	KARL THOMAS SCHULTZ INCORRECT ADDRESS/DO
AMERICAN INNOVATIVE ROYALTY SYSTEMS 924 CR 174 COTTER AR 72626	KATHARINE MCGRAW 262 SILVERSTONE RD REMSEN NY 13438	
APACHE CORPORATION 1700 LINCOLN ST., STE 3600 DENVER CO 80203-4536	KRISTIN BAKER ASHTON P O BOX 371 EAST HELENA MT 59635	
APEX OIL VENTURES 2005 SOUTH 300 WEST SALT LAKE CITY UT 84115	L. H. GAZZALE C/O JACK W. GAZZALE BOX 692 MIDLAND TX 79702-0692	
BARBARA T WESTERMAN 134 S GROVE OAK PARK IL 60302	LORRAYN GAY HACKER C/O JAMES M RAYMOND AIF P O BOX 291445 KERRVILLE TX 78029-1445	
BERNARD CERSONSKY ESTATE JACK DAVID FEUER PERS REP 8400 E PRENTICE AVE., STE 600 GREENWOOD VILLAGE CO 80111	FOUR STAR OIL & GAS COMPANY ATTN: REVENUE ACCOUNTING P. O. BOX 4791 HOUSTON TX 77210-4791	LOUIS ROSS BOX 130 MONROE WI 53566
BLAGG ENGINEERING ATTN: JEFFREY BLAGG P.O. BOX 87 BLOOMFIELD NM 87413	FREDERICK JOHN SCHULTZ 11201 SACAHOISTA AUSTIN TX 78750	MALCOLM E. A. MCCOY 4901 10TH STREET BOULDER CO 80304
BP AMERICA PRODUCTION CO. P.O. BOX 277897 ATLANTA GA 30384-7897	GEORGE T. GRAHAM	MARALEX RESOURCES INC P O BOX 338 IGNACIO CO 81137-0338
BURLINGTON RES OIL & GAS CO LP 801 CHERRY ST STE 200 FT. WORTH TX 76102	HARRY L JONES II, TRUST HARRY L & LINDA B JONES, TTEE 2315 CANDY LANE MALABARI, FL 32950	MARY F. ROBERTS C/O D. KEITH ROBERTS PO BOX 2203 RUIDOSO NM 88335
C & E OPERATORS 8333 DOUGLAS, STE 950 DALLAS TX 75225	HFI LIMITED PARTNERSHIP 4312 STANHOPE DALLAS TX 75205	MARY JON BRYAN C/O BOBBY MCCLENNY PO BOX 1358 LINDALE TX 75771-1358
CHARLES W GAY C/O JAMES M RAYMOND AIF P O BOX 291445 KERRVILLE TX 78029-1445	HUGH & DARLENE WOOD 1211 PENNSYLVANIA GULCH RD MURPHYS CA 95247	MAX R CHUDY 50 S. MEADOW DR. ORCHARD PARK, NY 14127-2723
COSTELLO FAMILY TRUST JOSEPH D COSTELLO, TTEE PO BOX 2724 LA JOLLA CA 92038	J & M RAYMOND RAYMOND & SONS I LLC P O BOX 291445 KERRVILLE TX 78029-1445	MAYDELL MILLER MAST TRUST J. M. RAYMOND POST OFFICE BOX 291445 KERRVILLE TX 78029-1445
DAVID SIEBERT 30 CARMEL DRIVE LITTLE ROCK AR 72212	JACK O MCCALL PO DRAWER 2206 MIDLAND TX 79702	MCELVAIN OIL COMPANY P. O. BOX 801888 DALLAS TX 75380-1888
DENNIS R. REIMERS AND TERESA M. REIMERS 1594 CACTUS DRIVE BAYFIELD CO 81122	JAMES A. ELKINS 3335 INWOOD DR. HOUSTON, TX 77019-3105	NILE CHAPMAN BOX 98 ROOSEVELT UT 84066
DOMINIC PELLASCINI 8053 WASHINGTON AVE. SEBASTOPOL CA 95472-3111	JAMES DROLLINGER PO BOX 1850 VERNAL UT 84078-5850	PATRICIA PENROSE SCHIEFFER BANK OF AMERICA, AGENT PO BOX 2546 FT WORTH TX 76113-2546
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DONALD G. PARSONS C/O BRIGHT TRADING COMPANY 3029 PALMER POINTE COURT RENO NV 89511	JEAN KUMP P. O. BOX 627 RANGELY CO 81648	RED WILLOW PRODUCTION COMPANY TRIBAL ANNEX BLDG, MOUACHE DR P.O. BOX 369 IGNACIO CO 81137
DUGAN PRODUCTION CORP. P.O. BOX 420 FARMINGTON NM 87499	JOEL H. SCHMIDT 1385 TAFT PLACE HAMILTON OH 45013	REDELITY LP C/O RED WILLOW PROD CO P.O. BOX 369 IGNACIO CO 81137
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