

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

IN THE MATTER OF THE APPLICATION)
OF SAMSON RESOURCES COMPANY)
REQUESTING THE FOLLOWING)
ORDER: ESTABLISHING A 640-ACRE)
DRILLING AND SPACING UNIT FOR)
PRODUCTION FROM THE BAXTER)
FORMATION AND A COINCIDENT 640-)
ACRE DRILLING AND SPACING UNIT)
FOR PRODUCTION FROM THE)
NUGGET FORMATION AND FOR)
COMPULSORILY POOLING A NON-)
CONSENTING OWNER WITHIN SUCH)
DRILLING AND SPACING UNIT IN THE)
SHELL CREEK UNIT AREA, MOFFAT)
COUNTY, COLORADO)

CAUSE NO. 112

Docket No. _____

APPLICATION

COMES NOW Samson Resources Company ("Applicant"), by its undersigned attorneys, and makes application to the Oil and Gas Conservation Commission of the State of Colorado, for an order establishing a 640-acre new drilling and spacing unit and for an order compulsorily pooling a non-consenting owner in such newly established drilling and spacing unit. In support thereof Applicant states and alleges as follows:

SPACING

1. That the Applicant is the owner of leasehold interests in Moffat County, Colorado, located within the area requested for spacing and pooling, more particularly described as:

Township 12 North, Range 99 West
Section 26: S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$
Section 27: E $\frac{1}{2}$ SE $\frac{1}{4}$
Section 35: NW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$

Moffat County, Colorado

(hereafter "Application Lands").

2. That the Application Lands are not subject to any existing spacing orders for production from the Baxter Formation or the Nugget Formation. They are, however, subject to the Shell Creek Unit Agreement, as a designated federal unit and to the extent any uncommitted tracts thereto to Rule 318 of the Rules and Regulations of the Oil and Gas Conservation Commission.

3. Applicant maintains that the Baxter Formation and the Nugget Formation are common sources of supply underlying the Application Lands.

4. Applicant has proposed the drilling of the Shell Creek Unit 24-26 3 R Well to test the Nugget Formation and any other productive zones or formations that may be encountered at a location in the SW $\frac{1}{4}$ of Section 26 of the Application Lands.

5. Applicant believes that such well would encounter gas from the Baxter Formation and/or the Nugget Formation. Applicant asserts that 640 acres is not smaller than the maximum area that can be efficiently and economically drilled to the Baxter and/or Nugget Formations. A successful well

would drain approximately 640 acres.

6. Since a portion of the mineral interests underlying the Application Lands are owned by the Bureau of Land Management ("BLM"), which have been leased to the Applicant, Applicant intends, upon securing an order from this Commission, to secure a communization agreement such that the 640-acre unit will be developed as one and the correlative rights of all interest owners will be protected. Applicant requests that the Application Lands be designated as one 640-acre drilling and spacing unit.

7. That allowing the proposed well within the proposed spacing unit is expected to economically and efficiently drain the formation and protect the correlative rights of all parties. The drilling of unnecessary wells will be prevented and waste will therefore be avoided all in accordance with the Colorado statutes and the rules and regulations of this Commission and the BLM.

8. That granting of the relief requested in this Application will have no adverse impacts on the public health, safety, welfare or the environment and if successful, will significantly reduce surface impacts by avoiding a number of vertical wells which would be necessary to drain the referenced formations.

Pooling

If and after the order establishing the requested drilling and spacing unit is approved, Applicant also submits a request for pooling as outlined below:

9. Exhibit B contains a list of a interest owner(s) who have refused to participate in the drilling of the proposed well by bearing their proportionate share of the costs and risks of drilling and operating the wells. By the date of the hearing, more than 30 days will have elapsed since the tender of the offers to participate. A copy of an example of such AFE and letter is attached as Exhibit C.

10. That in order to prevent waste, protect correlative rights and in the best interests of conservation, the non-consenting interest(s) should be pooled in the Baxter Formation and Nugget Formation in accordance with Section 34-60-116, C.R.S. and Rule 530 of the Commission.

11. Exhibit A attached hereto and made part hereof is the list of the names of "owners" within the proposed drilling and spacing unit required to be notified in accord with Commission Rules, including within the areas covered by this application and those owners with an interest in the minerals to be pooled. To the best of Applicant's knowledge and belief, Exhibit A 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 a 640-acre drilling and spacing unit for production composed of the Application Lands for the Nugget Formation and for the Baxter Formation;

B. Pooling all non-consenting owners as set forth on Exhibit B and that such owners be treated as non-consenting owners under Section 34-60-116, C.R.S.; and

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

the premises.

DATED this 20th day of April, 2007.

Respectfully submitted,

SAMSON RESOURCES COMPANY

By: _____
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370 17th Street, Suite 3000
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VERIFICATION

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

Michael D. Horton, of lawful age, being first duly sworn upon oath, deposes and says that he is a Landman for Samson Resources 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.

Subscribed and sworn to before this ____ day of April, 2007.

Witness my hand and official seal.
My commission expires:

Notary Public

EXHIBIT A
INTERESTED PARTIES

Sport Resources, Inc.
Attn: Daniel Beren
7801 Park Heights Ave.
Pikesville, MD 21208

Stephens Energy Company, LLC
Attn: Douglas E. Wein
1825 Lawrence Street, Suite 300
Denver, CO 80202

Stanley Eng
Bureau of Land Management
Little Snake Field Office
455 Emerson Street
Craig, CO 81625

Rick Ryan
Bureau of Land Management
2850 Youngfield Street
Lakewood, CO 80215

EXHIBIT B
NON-CONSENTING PARTIES

Sport Resources, Inc.
Attn: Daniel Beren
7801 Park Heights Ave.
Pikesville, MD 21208