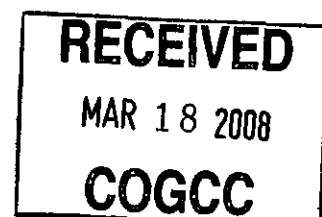




BEFORE THE OIL & GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO



IN THE MATTER OF THE PROMULGATION AND )  
ESTABLISHMENT OF FIELD RULES TO )  
GOVERN OPERATIONS IN CRAIG FIELD, )  
MOFFAT COUNTY, COLORADO )

Cause No 474

Docket No 0803-SP-07

REQUEST FOR RECOMMENDATION OF  
APPROVAL OF APPLICATION WITHOUT A HEARING

Samson Resources Company ("Applicant") by and through its undersigned attorneys, hereby requests pursuant to Rule 511b of the Rules and Regulations of the Colorado Oil and Gas Conservation Commission for the Director to recommend approval of the verified application and the supporting exhibits without a hearing

Applicant requests that the captioned matter be so approved based upon the merits of the Application and exhibits to be submitted since it is a straight forward application to establish a drilling and spacing unit and establishing existing well location rules

On or before close of business on March 18, 2008, Applicant will provide sworn written testimony verifying sufficient facts along with exhibits that adequately support the relief requested in the Application for a Commission order

In the event that this request is denied, Applicant request that the administrative hearing for this matter occur at a convenient time prior to the Commission hearing on March 31 and April 1, 2008

WHEREFORE, Applicants request that their request for a recommendation for approval of its Application without a hearing be granted

DATED this 14th day of March, 2008

Respectfully submitted,

SAMSON RESOURCES COMPANY

By 

Michael J Wozniak  
Susan L Aldridge  
BEATTY & WOZNIAK, P C  
216 16<sup>th</sup> Street, Suite 1100  
Denver, CO 80202  
(303) 407-4499

# **SAMSON RESOURCES CORPORATION**

**CAUSE NO. 474**  
**DOCKET NO. 0803-SP-07**

Land Testimony  
Cause No 474  
Docket No 0803-SP-07

My name is Michael Horton, and I am employed as a Sr District Landman for Samson Resources Corporation ("Samson") I have my bachelor's degree in Business Administration in Energy Management from the University of Oklahoma I have 7 years experience as a Landman and have been with Samson since January of 2006 working directly with the properties that are the subject of today hearing My curriculum vitae is attached to Samson's Exhibit Booklet

In support of our application today, I have prepared one exhibit The exhibit is attached to my sworn testimony and form the basis for our application to obtain an order to establish a 320-acre drilling and spacing unit in Moffat County, Colorado

1 Exhibit No 1 Lease Map

Exhibit No 1 graphically depicts the proposed 320 acre spacing unit Lease boundaries are set forth on this map as well as the location for the Allen 44-8 #1 Well (the location of this well and its proposed drainage are the basis for the boundary of our proposed spacing unit)

The proposed 320 acre spacing unit is made up entirely of fee mineral interests, which have either been leased to Samson or its partner Ponder Exploration Ltd with the following exceptions a 64078% interest owned by Timberlake Management Corporation (Pioneer Natural Resources), a 2539% interest owned by Celeste Grynberg (Grynberg Petroleum), a 3293% interest owned by Rex Ross Walker, a 2176% interest owned by Lynn Weaver Ledbetter, a 0145% interest owned by Vera A Beckett, a 0181% mineral interest owned by Blair McDonald and a 0363% interest owned by Eleanor J McDonald The noted exceptions have been offered the following opportunities to lease at market rates, participate in the well or to choose to go non-consent with the imposition of a 200% non-consent penalty Upon securing a spacing order from the Commission, Samson intends to file a pooling declaration such that the 320-acre unit will be developed as one and the correlative rights of all interest owners will be protected

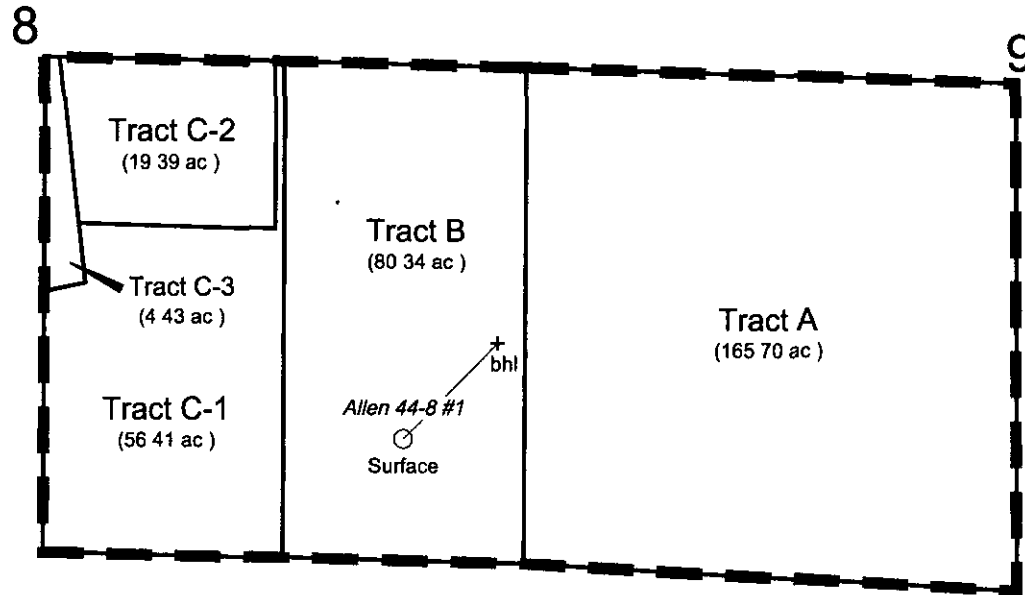
Based upon our examination of relevant contracts and records, and under my direction and control, all of the interest owners are listed on Exhibit A attached to our Application and have therefore received notice of this Application We have not received any notice of objection or protest to this Application

Based upon my experience, I believe that the proposed spacing unit will equitably divide proceeds and will protect correlative rights

The matters described herein were all conducted under my direction and control

Janet C. Willson  
Notary Public  
Address 8147 W. Virginia Ave., Lakewood, CO 80226

T 6 N, R 91 W, 6th P.M.



Cause No. 474  
Docket No. 0803-SP-07

Exhibit No. 1  
Location Map

(Containing 326.27 acres, more or less)

Application for 320 acre  
Spacing Unit

Moffat County, Colorado

Samson Resources Company

Denver, Colorado

Map Scale 1" = 1,000'

Geology Testimony  
Cause No 474  
Docket No 0803-SP-07

My name is Rusty Kelly, and I am employed as a District Geologist for Samson Resources Company ("Samson"). I have BS and MS degrees in Geological Sciences from Ohio University. I have seven years experience as a Geologist and have been with Samson since October of 2002, and have been working the Niobrara Formation or equivalent intervals in Colorado for the past 18 months, with a specific concentration on the northwest Colorado area for the past six months. My qualifications are attached to Samson's Exhibit Booklet.

In support of our application today, I have prepared five exhibits. The exhibits are attached to my sworn testimony and form the basis for our application to obtain orders to establish a 320-acre drilling and spacing unit in Moffat County, Colorado.

1     Exhibit No. 1 Location Map

Exhibit No. 1 depicts the proposed 320 acre spacing unit in a red dashed outline. The subject well has a surface location of 660' FSL and 660' FEL and a bottom hole location of 1175' FSL & 148 3' FEL based on a borehole navigation survey run at TD of the well.

In addition to the Allen 44-8#1 well, all additional wells drilled in the surrounding sections are displayed. A producing formation color code has been applied to indicate which zone(s), if any are productive. Five wells have produced from the Niobrara Formation, one well has produced from the Frontier formation, and one well has produced (water only) from the Williams Fork Coal. Samson's leasehold is displayed as yellow on this exhibit. A cross-section index line is posted on the map to indicate the location of the fourth geologic exhibit.

2     Exhibit No. 2 Type Log

Exhibit No. 2 is a type log for the Niobrara Formation in the application area. The well used for this type log is the Samson Resources Company Allen 44-8#1 well in section 8, Township 6N, Range 91W. The log types on this exhibit include a gamma ray, deep induction, and conductivity logs. The shale dominated Niobrara Formation is indicated on this log along with three calcareous rich intervals which are designated by blue shading and are labeled with industry nomenclature. The thickness of these units is indicated to the left of the log. These calcareous rich zones are more brittle than the overlying and underlying shales within the Niobrara Formation and therefore have a greater ability to fracture. Fractures within these brittle calcareous intervals are the reservoir target within the Niobrara Formation in this area.

3     Exhibit No. 3 Structure Map

Exhibit No 3 is a structure map constructed on top of the Niobrara Formation in the application area. The foundation of this map is from wireline log tops picked in the application area. Mapping of this structural surface reveals that there is a fault bounded anticlinal structure underlying the application area. Additionally, this structure is asymmetric in nature with steeper dipping strata on the southwestern flank of the anticline. These steeper dips indicate an area of greater fracture development and dilation, which allows for greater fractured reservoir storage. Ultimately, the southwestern flank of this structure, and specifically the area of our application, was identified due to this increased fracturing within the brittle calcareous intervals. This "fracture fairway" allows for increased deliverability from an otherwise impermeable and uneconomic reservoir.

4     Exhibit No 4 Cross-Section

Exhibit No 4 is a stratigraphic cross section, displaying the reservoir distribution of the Niobrara Fm in the application area. The datum for this cross section is the top of the Niobrara Formation. The calcareous rich benches are clearly labeled and emphasized with blue shading. Log types used in the construction of this cross section are gamma ray, sp, deep resistivity, and conductivity. This cross section clearly demonstrates the presence of the reservoir units across the application area.

5     Exhibit No 5 Isopach Map

Exhibit No 5 is an Isopach map for the calcareous rich intervals within the Niobrara Formation. Wireline logs were reviewed to identify the three reservoir units, the gross interval was then calculated and summed together for a gross thickness of these brittle units. These values were then posted on the map and an isopach map was created to display the thickness of the brittle calcareous units within the Niobrara. This map indicates an average thickness of 280' of brittle calcareous rich Niobrara beneath the application lands.

The Geology exhibits attached and described above demonstrate that the Niobrara formation is present, and fractured, beneath the application lands. The presence of fractures allows for the economic extraction of oil from this reservoir. Based upon my experience, I believe that the proposed spacing unit will equitably divide proceeds and will protect correlative rights.

The matters described herein were all conducted under my direction and control. To the best of my knowledge and belief, all of the matters set forth herein, my testimony and in the exhibits are true, correct and accurate.

Address 370 17<sup>th</sup> St, Ste 3000, Denver, CO 80202



## Engineering Testimony

My name is Jay Smith, and I am employed by Samson Resources Corporation ("Samson") as the Rocky Mountain Division Team Manager. I have my Bachelor of Science Degree in Petroleum Engineering from the University of Oklahoma. I have 24 years experience as a Petroleum Engineer and have been with Samson since 1994 and have been working directly with the properties that are the subject of today hearing since August of 2006. My curriculum vitae is attached to Samson's Exhibit Booklet.

In support of our application today, I have prepared three exhibits. The exhibits are attached to my sworn testimony and form the basis for our application to obtain orders to establish a 320-acre drilling and spacing unit in Moffat County, Colorado.

1     Exhibit No. 1 Zimmerman-Chamberlain Decline Curve

Exhibit No. 1 depicts a decline curve for the Zimmerman-Chamberlain well which was selected for the drainage analogy as it is the only other well with significant Niobrara production on the Craig Dome structure.

2     Exhibit No. 2 Drainage Area Calculation

Exhibit No. 2 projects a drainage area radius for the Allen 44-8 #1 Well based on fracture porosity in the brittle calcareous intervals of the Niobrara formation. Matrix porosity and permeability are assumed to be minimal contributors to production.

3     Exhibit No. 3 Discounted Cash Flow Economics

Exhibit No. 3 projects the economic impact of the Allen 44-8 #1 Well based on the estimated ultimate recovery of 100,000 barrels of oil.

Based upon my analysis, I believe that creation of a 320-acre drilling and spacing unit will economically and efficiently drain the Niobrara formation in this area. Three hundred and twenty acre unit is not smaller than the maximum area that can be drained by this well. Depending upon the actual results of the Allen 44-8 #1 well, we are requesting the optional right to drill one additional well in this drilling and spacing unit.

(S E A L)

Russell (Rusty) Kelly  
Geologist  
Cause No. 474  
0803-SP-07

Education:

MS Geology Ohio University 2002  
BS Geology Ohio University 1999

Work Experience:

Geologist-Samson Resources Company  
Denver CO.  
1/2005-Present  
Tulsa OK.  
10/2002-1/2005

Geologist-Texas Keystone Inc.  
Pittsburgh PA.  
3/2001-10/2002

Exhibit No. 1  
Zimmerman-Chamberlain #1 Decline Curve

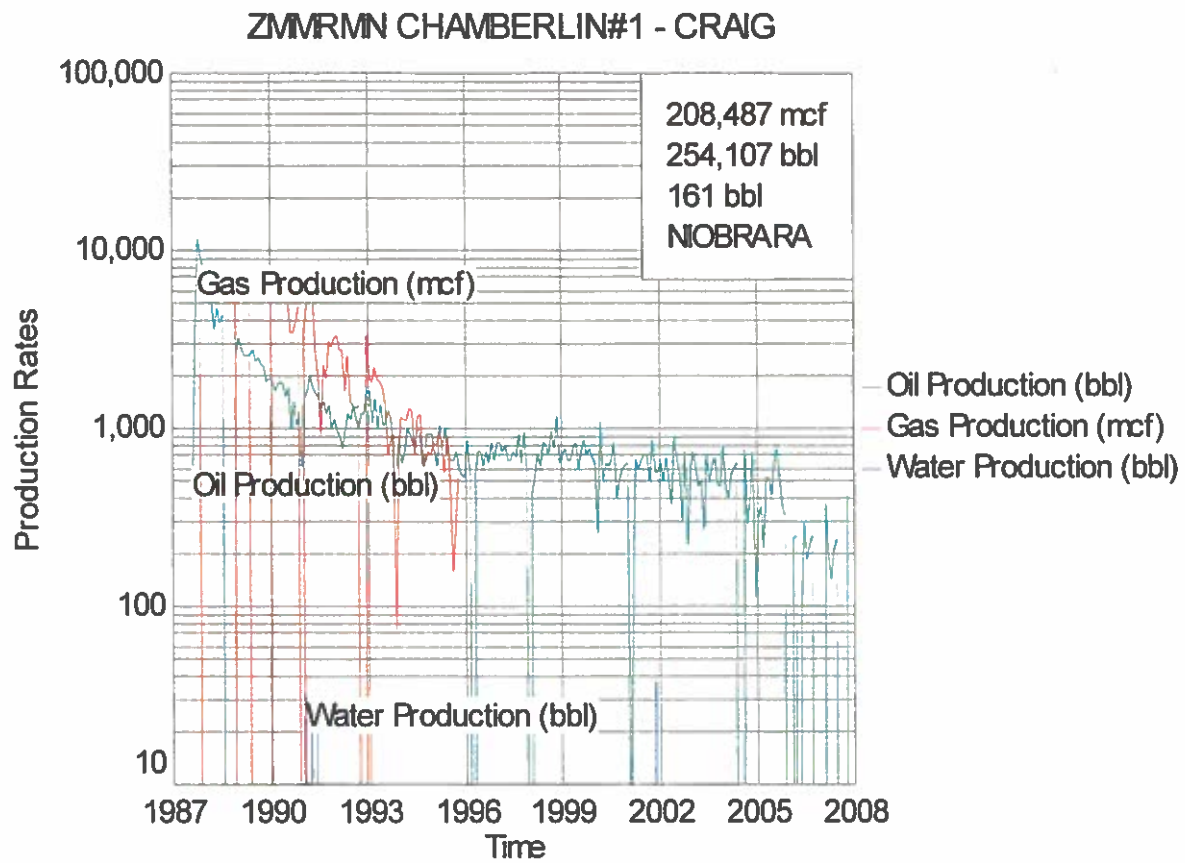


Exhibit No 2  
Drainage Area Calculation

	Analogy Well Zimmerman-Chamberlain #1 NW SW SE Sec 4-6N-91W	Allen 44-8 #1 SE Sec 8-6N-91W
Recovery as of 3-1-08	254,107 BO	9,462 BO
Est Ultimate Recovery	260,000 BO	100,000 BO
Productive Thickness	280 ft	280 ft

Thicknesses are estimated to be equivalent between the two wells. No electric logs were available for the Zimmerman-Chamberlain well. The amount of section within the total thickness of the calcareous intervals which is actually fractured and contributing to production is unknown.

Initial potential, first 30 days	350 BOPD	80 BOPD
Estimated Fracture Porosity	2%	1%
Water Saturation	15%	15%
Oil Gravity	37 degrees API	37 degrees API
Original Reservoir Pressure	2,430 psi	2,430 psi
Formation Volume Factor	1.38 rb/bbl	1.38 rb/bbl
Reservoir Temperature	194 degrees F	194 degrees F
Estimated Recovery Factor	5%	5%
Estimated Drainage Area	194 acres	149 acres

Exhibit No 3  
Discounted Cash Flow Economics

Estimated Ultimate Recovery	100,000 BO
Gas Sales	None
Wellhead Oil Price	\$75 00/BO flat
Completed Well Cost	\$1,750,000
Initial Production Rate	80 BOPD
Exponential Decline Rate	25% per year
Net Revenue Interest	77 5%
Severance and Ad Valorem Taxes	6 55%
Operating Cost	\$3,000 per month
Discounted Cash Flow at 10% Discount	\$2,082,000
Discounted Return on Investment (ROI)	2 19
Discounted Payout	1 4 years

**MICHAEL HORTON  
LANDMAN  
CAUSE NO. 474  
DOCKET NO. 0803-SP-07**

**EXPERIENCE**

Samson Resources Company, Denver, CO  
Landman, January 2006-Present

Anadarko Petroleum Corporation, Houston, TX  
Landman, June 2002-December 2005

**EDUCATION**

University of Oklahoma, Norman, OK  
Bachelor of Business Administration, Energy Management, May 2002

**JAY SMITH  
ENGINEER  
CAUSE NO. 474  
DOCKET NO. 0803-SP-07**

**EXPERIENCE**

Samson Resources Company

Asset Team Manager, Denver, Colorado, 2002 - Present

Engineering Manager, Tulsa, Oklahoma, 1996 - 2002

District Engineer, Tulsa, Oklahoma, 1994 -1996

Conoco Inc

Senior Reservoir Engineer, Corpus Christi, Texas, 1992-94

Reservoir Engineer, Houston, Texas, 1990-92

Engineer, Oklahoma City, Oklahoma, 1985-1990

**EDUCATION**

University of Oklahoma, Norman, OK

Bachelor of Science, Petroleum Engineering, May 1985

Registered Professional Engineer in Oklahoma since 1994, PE #15871