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BEFORE THE CORPORATION COMMISSION
OF THE STATE OF OKLAHOMA

APPLICANT: SAMSON RESOURCES COMPANY

RELIEF SOUGHT: CLARIFICATION OF
POOLING ORDER NO. 231708

LEGAL DESCRIPTION: SECTION 25,
TOWNSHIP 11 NORTH, RANGE 18 WEST,
WASHITA COUNTY, OKLAHOMA

CAUSE CD NO.

201100249-T

ORDER NO.

583306

ORDER CLARIFYING POOLING ORDER NO. 231708

1. Hearing Date and Place: 8:30 a.m., 14th day of February, 2011, Eastern Regional Division, 440 S. Houston, Suite 114, Tulsa, Oklahoma 74127.
2. Appearances: Ron M. Barnes, Attorney for the Applicant.
3. Notice and Jurisdiction: Notice has been given as required and the Commission has jurisdiction of the subject and the persons.
4. Previous Order: None.
5. Amendment: None.
6. Relief Requested: That **Pooling Order No. 231708** be clarified so as to provide for subsequent operations; that Samson Resources Company shall have the right to operate the Bullitt 1-25H subsequent well and that SM Energy shall be named as Operator for all additional subsequent wells; that **Pooling Order No. 231708** should be clarified so as to confirm that this be a unit pooling; that **Pooling Order No. 231708** should be amended to conform to the spacing correction by concluding that the **Des Moines Granite Wash and Des Moines** are synonymous and the **Skinner** is a member of the **Des Moines** common source of supply which as pooled would include the **Skinner** as well as all other members of the **Des Moines** common source of supply; and that **Pooling Order No. 231708** remain in full force and effect as to the **Brown Dolomite, Douglas, Hoxbar, Des Moines and Missouriian Granite Wash** common sources of supply underlying Section 25, Township 11 North, Range 18 West, Washita County, Oklahoma.
7. Relief Granted and Election Period: The requested relief is granted and the rights and equities of all owners named in Exhibit "A" attached hereto are hereby subject to the terms provided herein for subsequent operations in the existing wellbore in the subject unit. All other provisions contained in **Pooling Order No. 231708** not specifically clarified herein shall remain in full force and effect.

8. **Pooling Order No. 231708** is clarified to be a unit pooling and to remain in full force and effect as to the **Brown Dolomite, Douglas, Hoxbar, Des Moines and Missourian Granite Wash** common sources of supply underlying the subject drilling and spacing unit.

9. Participation in Subsequent Wells: Only those owners who properly elected to participate in the initial well drilled pursuant to **Pooling Order No. 231708** shall be allowed to participate in subsequent wells drilled on the drilling and spacing unit common sources of supply covered by said **Pooling Order No. 231708**. Owners electing or deemed to have elected to do other than participate in the initial well shall continue to receive the royalty provided as a result of such election in any subsequent well until the subsequent well pays out.

10. Election on Subsequent Wells: In the event Samson Resources Company ("Samson") proposes the drilling of the Bullitt 1-25H subsequent well Samson shall notify those owners who elected to participate in the initial well drilled hereunder of its intent to drill the Bullitt 1-25H well and said owners will have twenty (20) days from the date of receipt of said notice to elect whether to participate in said subsequent well. The notice provided by Samson shall include the estimated dry hole costs and estimated completed well costs of the subsequent well and owners electing to participate must pay, or make satisfactory arrangements with Samson to secure the payment, of their proportionate share of said complete well costs within twenty five (25) days from the date of receipt of notice from the proposing owner. Those owners electing not to participate or those owners failing to elect within the period provided or those owners electing to participate but failing to pay within the period provided shall be deemed to have elected not to participate in the subsequent well and shall receive thereafter no cash and a total royalty of $\frac{1}{4}$ of $\frac{8}{8}$ for all subsequent wells. Any time an owner elects or is deemed to have elected not to participate in a subsequent well, then that owner shall not be allowed to participate in future wells drilled on the drilling and spacing units covered hereby. That the Oklahoma Corporation Commission shall retain jurisdiction over the drilling and completion costs proposed by the participating owner for subsequent wells.

In the event any working interest owner proposes the drilling of a subsequent well other than the Bullitt 1-25H well the proposing party shall notify those owners who elected to participate in the initial well drilled hereunder of its intent to drill a subsequent well and said owners will have twenty (20) days from the date of receipt of said notice to elect whether to participate in said subsequent well. The notice provided by the proposing party shall include the estimated dry hole costs and estimated completed well costs of the subsequent well and owners electing to participate must pay, or make satisfactory arrangements with SM Energy Company to secure the payment, of their proportionate share of said complete well costs within twenty five (25) days from the date of receipt of notice from the proposing owner. Those owners electing not to participate or those owners failing to elect within the period provided or those owners electing to participate but failing to pay within the period provided shall be deemed to have elected not to participate in the subsequent well and shall receive thereafter no cash and a total royalty of $\frac{1}{4}$ of $\frac{8}{8}$ for all subsequent wells. Any time an owner elects or is deemed to have elected not to participate in a subsequent well, then that owner shall not be allowed to participate in future wells drilled on the drilling and spacing units covered hereby. That the Oklahoma

Corporation Commission shall retain jurisdiction over the drilling and completion costs proposed by the participating owner for subsequent wells.

11. Operator: **Samson Resources Company, Two West Second Street, Tulsa, Oklahoma 74103**, an owner of the right to drill and said drilling and spacing unit is designated Operator of the Bullitt 1-25H subsequent well to be drilled pursuant to **Pooling Order No. 231708**. All elections required in paragraph 10 for the drilling of the Bullitt 1-25H well should be communicated to Samson Resources Company in writing at the address listed above as required in this Clarification Order. All written elections must be mailed and postmarked within the election period as set forth in paragraph 10; provided such election may be mailed certified mail with return receipt requested in which event such certified election must be deposited in the post office within the election period set forth in paragraph 10. That Samson has a current plugging bond or financial statement on file with the Corporation Commission.

SM Energy Company, 7060 South Yale, Ste. 800, Tulsa, OK 74136-5741, an owner of the right to drill and said drilling and spacing unit is designated Operator of all additional subsequent wells to be drilled pursuant to **Pooling Order No. 231708**. All elections required in paragraph 10 hereof should be communicated to SM Energy Company in writing at the address listed above as required in this Clarification Order. All written elections must be mailed and postmarked within the election period as set forth in paragraph 10; provided such election may be mailed certified mail with return receipt requested in which event such certified election must be deposited in the post office within the election period set forth in paragraph 10. That SM Energy Company has a current plugging bond or financial statement on file with the Corporation Commission

12. Commencement of Subsequent Operations: Samson shall commence operation of the Bullitt 1-25H well within 180 days from the date of notice of subsequent operations or be required to re-propose the well and allow parties who participated in the original well drilled under **Pooling Order No. 231708** a new election in subsequent operations.

SM Energy Company shall commence operation of any additional subsequent well within 180 days from the date of notice of subsequent operations or be required to re-propose the well and allow parties who participated in the original well drilled under **Pooling Order No. 231708** a new election in subsequent operations.

13. Conclusion: The relief requested is necessary to prevent or to assist in preventing the various types of waste of oil or gas prohibited by statute, or any said wastes, and to protect or assist in protecting the correlative rights of interested parties. Such requested relief, as set forth above, should be granted and IT IS SO ORDERED.

All other provisions contained in **Pooling Order No. 231708** not specifically included herein shall remain in full force and effect.

CORPORATION COMMISSION OF OKLAHOMA
Dana L. Murphy

Dana L. Murphy
DANA L. MURPHY, Chair

Jeff Cloud
JEFF CLOUD, Vice Chairman

Bob Anthony
BOB ANTHONY, Commissioner

DONE AND PERFORMED this 7 day of ~~February~~ ^{March}, 2011.

BY ORDER OF THE COMMISSION:
Peggy Mitchell
PEGGY MITCHELL, Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing Findings and Order is the report and recommendation of the Administrative Law Judge.

APPROVED:

Kathleen M. McKeown
KATHLEEN M. MCKEOWN
ADMINISTRATIVE LAW JUDGE

3/1/11
Date

Curtis M. Johnson
REVIEWER

3-1-11
Date

APPROVED AS TO CONTENT AND FORM:

Ron M. Barnes
RON M. BARNES, OBA#534

EXHIBIT "A"

- | | |
|---|---|
| 1. CHESAPEAKE EXPLORATION, LLC
ATTN: LINDSAY PALAZZOLO
P. O. BOX 18496
OKLAHOMA CITY, OKLAHOMA
73154-0496 | <u>ADDRESS UNKNOWN</u>

NONE

<u>CURATIVE</u> |
| 2. CARDINAL RIVER ENERGY I LP
210 PARK AVE STE 1130
OKLAHOMA CITY, OKLAHOMA
73102-5618 | NONE |
| 3. MERCER FAMILY REVOCABLE
TRUST
RONALD G. MERCER AND
PATRICIA A.
MERCER, TRUSTEES
P. O. BOX 287
EDMOND, OK 73083 | |
| 4. PISECO OIL & GAS INC.
1201 LOUISIANA, SUITE 335
HOUSTON, TX 77002 | |
| 5. TEPEE PETROLEUM COMPANY
ONE ALLEN CENTER
500 DALLAS, SUITE 2920
HOUSTON, TX 77002 | |
| 6. EXCELSIOR EXPLORATION
CORPORATION
1811 BERING DRIVE, SUITE 230
HOUSTON, TX 77056 | |
| 7. O'SULLIVAN OIL & GAS
COMPANY, INC.
1021 MAIN STREET, SUITE 2600
HOUSTON, TX 77002 | |
| 8. STEVE KNAPP
SM ENERGY COMPANY
7060 SOUTH YALE, STE. 800
TULSA, OK 74136-5741 | |