

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

November 21, 2007

Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-5719

**Re: Samson Resources Company
C.S. Caylor Sr. Estate Well No. 7
API No. 30-025-20895
Unit E, Section 6-17S-37E
Lea County**

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS07-28253639**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Samson Resources Company (Samson) on October 9, 2007, and

(b) the Division's records pertinent to this request.

Samson has requested to complete the above-referenced well in the Queen formation at an unorthodox gas well location, 1650 feet from the North line and 330 feet from the West line (Unit E) of Section 6, Township 17 South, Range 37 East, N.M.P.M., in Lea County, New Mexico. The NW/4 of Section 6 will be dedicated to this well in order to form a standard 160-acre gas spacing unit in the undesignated Lovington-Queen Gas Pool (80720). This pool is governed by statewide Rule 104.C(3), which provides for 160-acres units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the western unit boundary.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

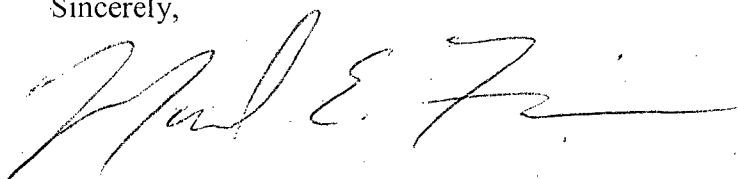
It is our understanding that you are seeking this location in order to utilize an existing wellbore that was originally drilled to a different formation.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs