



*Case 13491*

June 2, 2005

**VIA FACSIMILE FOLLOWED BY U.S. MAIL**

Samson  
Centennial Tower  
200 N. Loraine, Suite 1010  
Midland, Texas 79701

Attn: Elizabeth E. Moses

**RE Proposed Bandit "15" Federal #1 well  
N/2 Section 15, T20S-R33E  
Lea County, New Mexico**

Dear Elizabeth:

1. After further evaluation, Edge has decided to participate in the Samson – Bandit "15" Federal #1 well in the N2 of Section 15, T20S-R33E, Eddy County, New Mexico. Attached is the AFE for this well, which has been signed by Edge. We will review the operating agreement, sign and return to you promptly. If you have any questions or need additional information please call me at (713) 427-8843.

*WTS 6/8/05*

**EDGE PETROLEUM EXPLORATION COMPANY**

A large, stylized handwritten signature in black ink, appearing to read 'Jeff A. Sikora'.

Jeff A. Sikora, CPL  
Staff Landman  
[jsikora@edgepet.com](mailto:jsikora@edgepet.com)

Sue Ann Craddock, Chisos, Ltd.  
Larry Risley, Pure Energy Group, Inc.  
New Mexico Oil Conservation Division  
1220 South Street Francis Drive  
Santa Fe, NM 87505  
(Case No. 13491)



**SAMSON**  
AFE

Well Name:	Bandit Federal 15 # 1	Division:	Rocky Mountain
Legal Location:	810' FNL & 660' FEL, Sec. 15, T-20-S, R-33-E	Prospect:	Teas Penn
Proposed TD:	14,000'	County, State:	Lea, New Mexico
Objective:	Drill and Complete a Morrow Gas Well		

CODE	DRY HOLE		
2700-001	Surface Damages & Right of Way		0
2700-002	Roads & Location		50,000
2700-003	Rathole & Conductor Service		7,000
2700-004	Mobilization / Demobilization		120,000
2700-005	Drilling Daywork	0 days	724,550
2700-006	Drilling Footage		0
2700-007	Drilling Turnkey		0
2700-008	Fuel, Water & Power		141,900
2700-008	Fuel, Water & Power (ACP)		8,400
2700-009	Mud, Materials & Services		45,000
2700-010	Bits, Reamers & Stabilization		110,000
2700-011	Directional Equipment & Services		0
2700-012	Rental Equipment		72,060
2700-013	Logging - Drilling		0
2700-213	Logging & Formation Evaluation - Geology		45,000
2700-014	Cementing - Eqpt, Materials & Services		105,000
2700-015	Inspection Services		14,800
2700-016	Transportation		30,000
2700-017	Supervision & Technical Personnel		45,000
2700-018	Pipe Crews - Equipment & Labor		23,000
2700-019	Labor & Supplies		22,000
2700-020	Insurance		26,222
2700-021	Overhead		12,500
2700-022	Plugging & Abandonment		30,000
2700-028	Miscellaneous & Contingency		159,103
2700-035	Location Restoration (Dryhole)		12,000
2700-135	Location Restoration (Completion)		0
2700-038	Closed Mud System, Materials, & Services		0
2700-329	Legal & Regulatory		0
2800-001	Protective/Surface Csg:	feet @ \$ per ft	65,250
2800-002	Intermediate Csg:	feet @ \$ per ft	139,500
2800-003	Liner:	feet @ \$ per ft	140,400
2800-105	Production Tbg:	feet @ \$ per ft	0
2800-008	Wellhead Equipment		15,000
<b>COMPLETION</b>			
2700-102	Roads & Location		5,000
2700-005	Drilling Daywork		33,700
2700-108	Fuel, Water & Power		10,000
2700-009	Mud, Materials & Services (Drilling ACP)		0
2700-109	Kill Fluids, Mud, & Services (Completion)		15,000
2700-010	Bits, Reamers & Stabilization (Drilling ACP)		0
2700-110	Bits, Reamers & Stabilization (Completion)		3,000
2700-012	Rental Equipment (Drilling ACP)		0
2700-112	Rental Equipment (Completion)		20,000
2700-113	Logging - Production		7,000
2700-014	Cementing - Eqpt, Materials & Services (Drilling ACP)		87,500
2700-114	Cementing - Eqpt, Materials & Services (Completion)		0
2700-015	Inspection Services (Drilling ACP)		0
2700-115	Inspection Services (Completion)		5,000
2700-016	Transportation (Drilling ACP)		0
2700-116	Transportation (Completion)		10,000
2700-017	Supervision & Technical Personnel (Drilling ACP)		0
2700-117	Supervision & Technical Personnel (Completion)		12,000
2700-018	Pipe Crews - Equipment & Labor (Drilling ACP)		17,000
2700-118	Pipe Crews - Equipment & Labor (Completion)		0
2700-019	Labor & Supplies (Drilling ACP)		0
2700-119	Labor & Supplies (Completion)		10,000
2700-120	Insurance		0
2700-121	Overhead		2,000
2700-123	Completion Rig	12 days at \$2,500.00 per day	30,000
2700-125	Perforating		8,000
2700-126	Acidizing, Fracturing & Sand Control	LIST ZONES:	175,000
2700-127	Wireline Services - not including perforating		5,000
2700-128	Miscellaneous & Contingency		44,000
2700-329	Legal & Regulatory		\$0
2800-003	Liner:		0
2800-004	Prod Csg:		238,000
2800-105	Production Tbg:		42,720
2800-008	Wellhead Equipment		45,000
2800-109	Surface Equipment		50,000
2800-110	Subsurface Equipment		12,000
2800-111	Artificial Lift Equipment		0
2800-116	Pipeline & Meter Facilities		20,000
<b>TOTAL COST</b>			<b>\$3,068,605</b>

TOTAL DHC \$2,161,685  
TOTAL CMPL COST \$906,920

APPROVAL SIGNATURE *[Signature]*  
COMPANY SAMSON  
DATE 4/29/05

Approval Signature *[Signature]*  
Company Edge Petroleum Exploration Company  
Date 6/2/05