

April 1, 2005
Communitization Agreement
between
Samson Resources Co.
Kaiser-Francis Oil Company
Mewbourne Oil Company

Approved by Commissioner
of Public Lands,
State of New Mexico

SECTION 4-21S-35E

COMMUNITIZATION AGREEMENT

Samson Resources Co. EX G
NMOCD Case No. 13492

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

(432) 682-3715
FAX (432) 685-4170

HAND DELIVERED

March 29, 2005

Samson Resources Company
200 North Loraine, Suite 1170
Midland, TX 79701-4736
Attn: Mr. Tim Reece

Re: Proposed Morrow Test
Osudo "4" State COM #1 well
660' FSL & 1,650' FEL
Section 4, T-21-S, R-35-E
Lea County, New Mexico
Osudo Prospect

Gentlemen:

Mewbourne Oil Company ("Mewbourne") hereby proposes drilling a 12,150' Morrow test at a location 660' FSL & 1,650' FEL of Section 4, T-21-S, R-35-E, Lea County, New Mexico to be called the Osudo "4" State COM #1 well. Assuming a successful completion requiring 320 acre spacing, Mewbourne would recommend communitizing Lots 9, 10, 15, 16 and the SE/4 (a/k/a the east 320 acres of the south 640 acres) of said Section 4.

To accommodate drilling this well, Mewbourne also proposes the formation of the 320 acre working interest unit covering Lots 9, 10, 15, 16 and the SE/4 of said Section 4. Based upon our most current title information Samson Resources Company ("Samson") appears to own a 20.0 net acre interest in State of New Mexico Lease B-1481 insofar only as it covers the SE/4 of said Section 4 and a 160.0 net acre interest in State of New Mexico Lease V-7054 insofar only as it covers Lots 9, 10, 15 and 16 of said Section 4. Assuming our information is correct, Samson would have a 56.25% working interest in the proposed 320 acre working interest unit.

Enclosed for your review and approval are duplicate AFE Well Cost Estimates for the well along with a proposed 1989 Model Form Operating Agreement naming Mewbourne as Operator covering Lots 9, 10, 15, 16 and the SE/4 of said Section 4. To indicate your election to participate in the proposed well, please execute and return one of the enclosed AFE well cost estimates along with the extra set of signature pages to the JOA. Please also send your well information requirements.

Feel free to call me if you have any questions or would like to discuss this proposal in greater detail. My phone number is (432) 682-3715.

*Per meeting MTC 3-30-05
OK to support Mewbourne*

- terminate if does not work out if as planned*
- cost to fight gonna proportionally*

Attachments

- Samson to take over ops upon well hook-up.*

Advised we are conceptually on-board

Sincerely,

MEWBOURNE OIL COMPANY

Steven J. Smith
Steven J. Smith
Senior Landman

*per Steve - Perm
SE 3 Chasipake well
may be Gij Bone Spring
Carbonate wells*

**MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE**

Prospect: South Osudo Well Name & No: Osudo 4 State #1
 Field: _____ Location: 1650' FEL & 660' FSL
 Section: 4 Block: _____ Survey: _____ Township: 21S Range: 35E
 County: Lea State: NM Proposed Depth: 12,150'

| DESCRIPTION | | Cost To Casing Point AFE NO. | Completion Cost AFE NO. |
|---|--|------------------------------------|-------------------------------|
| INTANGIBLE COST 180 | | | |
| 300 | Permits and Surveys | \$1,500 | \$1,000 |
| 301 | Location, Roads and Site Preparation | \$25,000 | \$1,500 |
| 302 | Footage or Turnkey Drilling | | |
| 303 | Day Work 39 days @ \$12000 + 2 days Compl. | \$468,000 | \$24,000 |
| 304 | Fuel | \$56,000 | \$2,800 |
| 305 | Completion / Workover Rig | | \$23,000 |
| 306 | Mud and Chemicals | \$70,000 | \$2,000 |
| 307 | Cementing | \$35,000 | \$40,000 |
| 308 | Logging, Wireline and Coring Services | \$35,000 | \$18,500 |
| 309 | Casing, Tubing & Snubbing Services | \$5,000 | \$10,000 |
| 310 | Mud Logging 23 days @ \$750/day | \$18,000 | |
| 311 | Testing | | \$4,500 |
| 312 | Treating 70Q Binary + 70k IP | | \$110,000 |
| 313 | Water & Other | \$20,000 | \$3,000 |
| 314 | Bits 1-17 1/2", 1-12 1/4", 5 - 8 3/4" | \$48,000 | \$2,500 |
| 315 | Inspection & Repair Services | \$8,000 | \$2,500 |
| 316 | Misc. Air and Pumping Services | | |
| 320 | Rig Mobilization & Transportation | \$35,000 | \$2,500 |
| 321 | Welding and Construction | \$2,500 | \$5,500 |
| 322 | Engineering & Contract Supervision | | |
| 330 | Equipment Rental | \$20,000 | \$5,000 |
| 334 | Well / Lease Legal | \$10,000 | \$2,000 |
| 335 | Well / Lease Insurance | \$13,000 | |
| 350 | Intangible Supplies | \$500 | \$2,500 |
| 355 | Damages | \$8,000 | |
| 360 | Pipeline and Electrical ROW and Easements | | |
| 367 | Pipeline Interconnect | | |
| 375 | Company Supervision | \$30,000 | \$15,000 |
| 380 | Overhead Fixed Rate | \$9,000 | \$8,000 |
| 398 | Well Abandonment | \$15,000 | (\$15,000) |
| 399 | Contingencies 10% / 6% | \$92,900 | \$13,400 |
| Total Intangibles | | \$1,022,000 | \$282,200 |
| TANGIBLE COST 181 | | | |
| 797 | Conductor Casing 40' of 20" (included in location cost) | | |
| 797 | Surface Casing 1500' 13-3/8" 54.5# K55 ST&CC @ \$35.50/R | \$53,300 | |
| 797 | Intermediate Casing 6300' 9-5/8" 40# HCK55/N80 LT&C @ \$27.35/Ft | \$145,000 | |
| 797 | Intermediate Casing | | |
| 797 | Production Casing 12,150' 5-1/2" 17# S95/N80 LT&C @ \$14.34/Ft | | \$174,300 |
| 798 | Tubing 12,000' 2-7/8" 6.5# P110 EUE 8rd @ 6.89/Ft | | \$70,700 |
| 798 | Tubing | | |
| 890 | Drilling Head | \$8,000 | |
| 870 | Tubing Head & Upper Section | | \$12,000 |
| 875 | Sucker Rods | | |
| 880 | Paoker Pump & Subsurface Equipment | | \$10,000 |
| 884 | Artificial Lift Systems | | |
| 885 | Pumping Unit | | |
| 886 | Surface Pumps & Prime Movers | | |
| 890 | Tanks - Steel | | \$8,000 |
| 891 | Tanks - Other | | \$4,200 |
| 895 | Separation Equipment | | \$15,000 |
| 896 | Gas Treating Equipment | | |
| 898 | Metering Equipment | | \$4,200 |
| 900 | Line Pipe - Gas Gathering and Transportation | | \$16,000 |
| 901 | Line Pipe - Production | | \$1,500 |
| 905 | Miscellaneous Fittings, Valves & Accessories | | \$12,000 |
| 909 | Electrical Installations | | |
| 910 | Production Equipment Installation | | \$12,500 |
| 920 | Pipeline Construction | | \$20,000 |
| Prepared | | Total Tangibles | \$206,300 |
| Prepared by: M. Young | | SUBTOTAL | \$1,228,300 |
| Company Approval: <i>M. Young</i> | | TOTAL WELL COST | \$1,868,900 |
| Date Approved: 03/24/05 | | | |
| Joint Owner Approval: <i>[Signature]</i> | | | |
| Joint Owner Interest: <i>[Signature]</i> | | | |
| Joint Owner Amount: <i>Samson Resources</i> | | | |

MODEL FORM OPERATING AGREEMENT

OPERATING AGREEMENT

DATED

March 24 , 2005 ,
year

OPERATOR Mewbourne Oil Company (See Article XVI.E.)

CONTRACT AREA Lots 9, 10, 15, 16 and SE/4 of Section 4, Township 21 South,
Range 35 East, N.M.P.M.

COUNTY OR PARISH OF Lea , STATE OF New Mexico

COPYRIGHT 1989 - ALL RIGHTS RESERVED
AMERICAN ASSOCIATION OF PETROLEUM
LANDMEN, 4100 FOSSIL CREEK BLVD.
FORT WORTH, TEXAS, 76137, APPROVED FORM.

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1989

IN WITNESS WHEREOF, this agreement shall be effective as of the 24th day of March

2005

Mewbourne Oil Company who has prepared and circulated this form for execution, represents and warrants that the form was printed from and, with the exception(s) listed below, is identical to the AAPL Form 610-1989 Model Form Operating Agreement as published in computerized form by Forms On-A-Disk, Inc. No changes, alterations, or modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes in Articles IV.B, VIII.F and XVI, have been made to the form.

ATTEST OR WITNESS:

OPERATOR

MEWBOURNE OIL COMPANY

By James Allen Brinson

James Allen Brinson
Type or print name

Title Attorney-In-Fact

Date April 27, 2005

Tax ID or S.S. No. 75-1254872

NON-OPERATORS

SAMSON RESOURCES COMPANY

By

Type or print name

Title

Date

Tax ID or S.S. No.

KAISER-FRANCIS OIL COMPANY

By

Type or print name

Title

Date

Tax ID or S.S. No.

By

Type or print name

Title

Date

Tax ID or S.S. No.

ACKNOWLEDGMENTS

Note: The following forms of acknowledgment are the short forms approved by the Uniform Law on Notarial Acts. The validity and effect of these forms in any state will depend upon the statutes of that state.

Individual acknowledgment:

State of _____)
_____) ss.
County of _____)

This instrument was acknowledged before me on
_____ by _____

(Seal, if any) _____
Title (and Rank) _____
My commission expires: _____

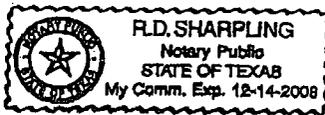
Acknowledgment in representative capacity:

State of Texas)
_____) ss.
County of Smith)

This instrument was acknowledged before me on
April 27, 2005 by James Allen Brinson as

Attorney-in-Fact of Newbourne Oil Company, a Delaware corporation, on behalf of said corporation.

(Seal, if any) R.D. Sharpling
Title (and Rank) _____
My commission expires: _____



Acknowledgment in representative capacity:

State of _____)
_____) ss.
County of _____)

This instrument was acknowledged before me on
_____ by _____ as

_____ of _____
(Seal, if any) _____
Title (and Rank) _____
My commission expires: _____

A.A.P.L. FORM 610-E - GAS BALANCING AGREEMENT - 1992

1 15. COUNTERPARTS

2 This Agreement may be executed in counterparts, each of which when taken with all other counterparts shall constitute
3 a binding agreement between the Parties hereto; provided, however, that if a Party or Parties owning a Percentage Interest in
4 the Balancing Area equal to or greater than a _____ percent (____%) therein full(s) to execute this
5 Agreement on or before _____ this Agreement shall not be binding upon any Party and shall be of
6 no further force and effect.

7 IN WITNESS WHEREOF, this Agreement shall be effective as of the 24th day of March, 2005.

10 ATTEST OR WITNESS:

OPERATOR

MEWBOURNE OIL COMPANY

BY:

James Allen Brinson

Type or print name

Title Attorney-In-Fact

Date

Tax ID or S.S. No.

NON-OPERATORS

SAMSON RESOURCES COMPANY

BY:

Type or print name

Title

Date

Tax ID or S.S. No.

energy, L.L.C.
General Partner of KF Energy, Ltd., Individually and
As agent for Kaiser-Francis Oil Company.

BY:

Type or print name

James T. Wakefield
Vice-President

Title

Date

4-8-05

Tax ID or S.S. No.

A.A.P.L. FORM 610-B - GAS BALANCING AGREEMENT - 1992

ACKNOWLEDGMENTS

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Note: The following forms of acknowledgment are the short forms approved by the Uniform Law on Notarial Acts. The validity and effect of these forms in any state will depend upon the statutes of that state.

Individual acknowledgment:

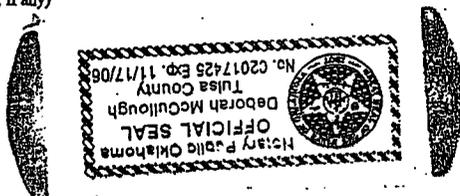
State of Oklahoma)

) ss.

County of Tulsa)

This instrument was acknowledged before me on April 8, 2005
by James T. Wakefield

(Seal, if any)



Deborah McCullough
Title (and Rank) Senior Land Technician
My commission expires: 11-17-06

Acknowledgment in representative capacity:

State of _____)

) ss.

County of _____)

This instrument was acknowledged before me on _____
by _____ as
_____ of _____

(Seal, if any) _____

Title (and Rank) _____

My commission expires: _____

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1989

IN WITNESS WHEREOF, this agreement shall be effective as of the 24th day of March

2005

Mewbourne Oil Company, who has prepared and circulated this form for execution, represents and warrants that the form was printed from and, with the exception(s) listed below, is identical to the AAPL Form 610-1989 Model Form Operating Agreement, as published in computerized form by Forms On-A-Disk, Inc. No changes, alterations, or modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes in Articles IV, B, VIII, F and XVI, have been made to the form.

ATTEST OR WITNESS:

OPERATOR

MEWBOURNE OIL COMPANY

By

James Allen Brinson
Type or print name

Title Attorney-In-Fact

Date

Tax ID or S.S. No. 75-1234872

NON-OPERATORS

SAMSON RESOURCES COMPANY

By

Marla R. Bennett

Marlin R. Garrett
Type or print name

Title Vice President

Date 4/12/05

Tax ID or S.S. No.

KAISER-FRANCIS OIL COMPANY

By

Type or print name

Title

Date

Tax ID or S.S. No.

By

Type or print name

Title

Date

Tax ID or S.S. No.

ACKNOWLEDGMENTS

1
2 Note: The following forms of acknowledgment are the short forms approved by the Uniform Law on Notarial Acts.
3 The validity and effect of these forms in any state will depend upon the statutes of that state.

4
5 Individual acknowledgment:

6 State of _____)

7) ss.

8 County of _____)

9 This instrument was acknowledged before me on

10 _____ by _____

11

12 (Seal, if any)

13 Title (and Rank) _____

14 My commission expires: _____

15

16 Acknowledgment in representative capacity:

17 State of Idaho)

18) ss.

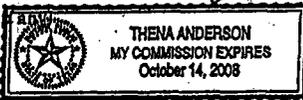
19 County of Millard)

20 This instrument was acknowledged before me on

21 April 12, 2005 by Marlin R. Darrett as

22 Vice President of Hanson Resources Company

23 (Seal,



Thera Anderson

24 Title (and Rank) _____

25 My commission expires: _____

26 Acknowledgment in representative capacity:

27 State of _____)

28) ss.

29 County of _____)

30 This instrument was acknowledged before me on

31 _____ by _____ as

32 _____ of _____

33 (Seal, if any)

34 Title (and Rank) _____

35 My commission expires: _____

36

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EXHIBIT "A"

Attached to and made a part of that certain
Operating Agreement dated March 24, 2005,
by and between Mewbourne Oil Company, as Operator, and
Samson Resources Company, et al, as Non-Operators.

1. LANDS SUBJECT TO THIS AGREEMENT

Lots 9, 10, 15, 16 and SE/4 of Section 4, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico.

2. OWNERSHIP AND DEPTH RESTRICTIONS

None

3. ADDRESSES OF THE PARTIES

Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, Texas 79707
Attn: Steve Smith
Phone: (432) 682-3715
Fax: (432) 685-4170

Samson Resources Company
200 North Loraine, Suite 1170
Midland, Texas 79701
Attn: Tim Reece
Phone: (432) 683-7063
Fax: (432) 683-6847

Kaiser-Francis Oil Company
P. O. Box 21468
Tulsa, Oklahoma 74141-1468
Attn: Wayne Fields
Phone: (918) 491-4436
Fax: (918) 491-4387

4. PERCENTAGES OF THE PARTIES

| | |
|----------------------------|------------|
| Mewbourne Oil Company | 7.395939% |
| Samson Resources Company | 56.250000% |
| Kaiser-Francis Oil Company | 36.354061% |

5. OIL AND GAS LEASES SUBJECT TO THE AGREEMENT

(A) State Lease No.: B-1481
Dated: December 19, 1932
Lessor: State of New Mexico
Original Lessee: Empire Gas and Fuel Company
Description: INSOFAR ONLY as said lease covers the SE/4 of Section 4, T21S, R35E, NMPM, Lea County, New Mexico.

(B) State Lease No.: V-7054
Dated: May 1, 2005
Lessor: State of New Mexico
Original Lessee: Samson Resources Company
Description: INSOFAR ONLY as said lease covers Lots 9, 10 15 and 16 of Section 9, T21S, R35E, NMPM, Lea County, New Mexico.

6. BURDENS ON PRODUCTION

- (A) Oil and Gas Lease 5(A) was contributed by all parties hereto, provides for a $1/8^{\text{th}}$ royalty and is subject to the following overriding royalty interests:
- 1) Wilson Oil Company, Ltd. - 12.5% of 12.5%. This overriding royalty is borne solely by Samson Resources Company.
 - 2) Kaiser-Francis Oil Company - 14.79167% of 7.5%. This overriding royalty is borne solely by Mewbourne Oil Company.
- (B) Oil and Gas Lease 5(B) was contributed by Samson Resources Company, provides for a $1/6^{\text{th}}$ royalty and is NOT subject to any overriding royalty interests.

End of Exhibit "A"