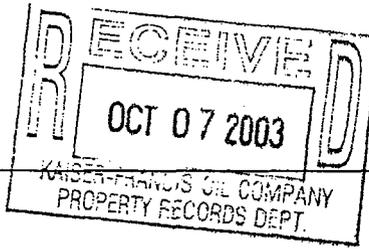




Samson Plaza
 Two West Second Street
 Tulsa, Oklahoma 74103-3103
 USA
 918/583-1791
 Fax 918/591-1796



RECEIVED
 OCT 07 2003
 Kaiser Francis Oil Co.
 Land Department

September 30, 2003

Mr. Wayne Fields
 Kaiser-Francis Oil Company
 P.O. Box 21468
 Tulsa, Oklahoma 74121

RE: Farmout Request
 S/2 of Section 9-21S-35E
 Lea County, NM

Dear Wayne:

Samson proposes to drill a Morrow test in the SW/4 of Section 9, Township 21 South, Range 35 East. A review of the applicable records indicates that Kaiser-Francis owns interests in the objective zones underlying the captioned lands. Samson requests support of this test by the granting of your interest under the following general terms:

1. Within 180 days after execution of a mutually agreed to farmout agreement, Samson would be required to commence the actual drilling of a well to a depth sufficient to test the Morrow formation at a legal location in the SW/4 of Section 9 as referenced above.
2. Upon completion of the test well as a commercial producer, Samson would earn an assignment of all of Kaiser-Francis' interests in the leasehold underlying said lands.
3. Kaiser-Francis shall retain an overriding royalty on acreage equal to the difference between the existing burdens and 22%.

Above terms are subject to management approval and the execution of a formal farmout agreement. Enclosed please find a proposed Farmout Agreement for this project. Please let me know if you are in agreement with this proposal. Should

Chavron TYPE: Farmout FILE #: 63104
 WELL: Wilson DP Unit NA
 DEALER: (9120) Coguard Oil Corp. Deal
 HEARING: 1 C/U: 1) 11/06103
 INPUT: ✓ FTC: ✓ 2) 1 1
 3) 1 1
 JW, WF, BMK (LST)

Kaiser-Francis Oil Company
September 30, 2003
Page 2

you have any questions please do not hesitate to call me at 432-683-6847 and my
email address is pkerr@samson.com.

Sincerely yours,

A handwritten signature in black ink that reads "Peggy Kerr" with a stylized flourish at the end.

Peggy Kerr
District Landman

Enclosure
/eem

FARMOUT AGREEMENT

THIS AGREEMENT dated as of this 1st day of October, 2003, between **Kaiser-Francis Oil Company**, whose address is P.O. Box 21468, Tulsa, Oklahoma 74121, (herein called "Farmor"), and **Samson Resources Company**, an Oklahoma corporation, whose address is 200 North Loraine, Suite 1170, Midland, Texas 79701 (herein called "Farmee").

WITNESSETH:

WHEREAS, Farmor is the owner of all or a partial interest in the oil and gas lease more particularly described on Attachment "A" (herein the "Subject Lease(s)") insofar and only insofar as said Subject Lease(s) covers and affects the lands and depths described on Attachment "A" (which lands and depths so described are herein called the "Subject Lands"); and

WHEREAS, Farmee desires to earn an interest in the Subject Lease(s) by drilling the well or wells for oil and gas hereinafter described.

NOW, THEREFORE, IN CONSIDERATION of the premises and of the mutual covenants, agreements, conditions and obligations between the parties herein contained, the parties hereby agree as follows:

Section 1. Test Well. Farmee covenants and agrees to commence on or before April 1, 2004 the actual drilling of a well (the "Test Well") for oil and gas at a legal location of its choice on the Subject Lands, and thereafter to continue the drilling of said Test Well with due diligence and in accordance with those practices which would be followed by a prudent operator, to a depth (the "Contract Depth") sufficient to penetrate and thoroughly test the Morrow Formation (the "Objective Formation"). The Test Well, if capable of commercial production, shall be promptly completed and equipped for the taking of production; otherwise, it shall be plugged and abandoned in accordance with the laws, rules and regulations of governmental authorities having jurisdiction.

Section 2. Substitute Well. If during the drilling of the Test Well, Farmee shall encounter granite or any other practically impenetrable substance or encounter mechanical difficulties or if the hole is lost for any reason not reasonably within control of Farmee, Farmee shall have and is hereby granted the right to abandon said well at its sole cost, risk and expense and Farmee may within thirty (30) days after such abandonment commence the actual drilling of a Substitute Well at a location which would, under the terms of this Agreement, have been permissible for the location of the Well abandoned. If such Substitute Well is commenced, it shall thereafter be drilled to the Contract Depth and thereupon Farmee's duties and obligations herein and the provisions hereof respecting the Test Well shall apply to such Substitute Well, and such Substitute Well shall be deemed to be the Test Well for all purposes of this Agreement.

Section 3. Costs and Indemnity. Farmee shall bear the sole cost, risk and expense (i) of drilling, completing and equipping or plugging and abandoning (as the case may be) the Test Well, (ii) of operating the Test Well in the event it is completed as a successful well, and (iii) of any other development of or operation upon the Subject Lands. In that connection, Farmee agrees to indemnify, defend and hold Farmor harmless from any and all liens, encumbrances, suits, claims, judgments, obligations and liability of any kind caused or created by or arising out of Farmee's operations hereunder.

Section 4. Drilling Practices. In the drilling of the Test Well, Farmee shall test, as would a prudent operator, all zones or formations penetrated in the Test Well having a reasonable possibility of production, and will test any zones having oil and/or gas shows. Upon completion of drilling operations, Farmee shall restore the surface of the land to the condition required by any of the Subject Lease(s) or by law, and in absence of such Lease(s) provisions or requirements of law, then as nearly as possible to its original condition.

Section 5. Interest Earned and Continuous Development. If the Test Well is drilled to the Contract Depth and thereafter completed as a well capable of producing oil and gas, or either of them, in commercial quantities, and Farmee has otherwise complied with all of the terms and provisions of this Agreement, Farmor shall assign to Farmee, upon the conditions and subject to the reservations hereafter made, all Farmor's interest in the Subject Lease(s) insofar as it is included in the Spacing Unit for the Test Well. "Spacing Unit" shall mean a drilling and spacing unit established by the

appropriate governmental agency for the drilling of one well. Such assignment will be made on an appropriate recordable form, and the execution and delivery of such assignment shall constitute full compliance with and discharge of any and all obligations of Farmor hereunder. In the event the terms of the Subject Lease(s) precludes an assignment thereof to Farmee, the parties, in lieu of such assignment, shall enter into an appropriate transfer of operating rights with respect to such Lease(s). Further, Farmor shall reserve from said assignment the overriding royalty provided for in Section 6 herein.

If the Test Well is completed as a well capable of producing oil and gas, or either of them, in commercial quantities and Farmee has otherwise complied with all of the terms and provisions of this Agreement, Farmee shall have the right to earn further interests in the balance of the Subject Lands not dedicated to the Test Well, provided that Farmee commences the actual drilling of a well on Subject Lands on or before 120 days following completion of the Test Well and thereafter undertakes a continuous drilling and development program on the Subject Lands. Such program shall be deemed continuous if Farmee, within 120 days after completion of a well, commences the actual drilling of the next well. Completion date of a well shall be deemed the date on which the rig used to drill and/or complete said well is released. Earning of working interest under the continuous drilling and development program shall be under the same terms and conditions as set out for earning working interest under the initial test well.

Section 6. Farmor Override. Farmor shall reserve from any assignment made to Farmee an overriding royalty interest of a percentage (herein "Override Percentage") of all oil, gas, and other minerals produced or sold from the Spacing Unit for the Test Well, which Override Percentage shall be equal to (i) twenty-two percent of eight-eighths (22% of 8/8ths) less (ii) the royalty reserved by the Lessor in the Subject Lease(s) and all existing overriding royalties, production payments and other burdens, if any, affecting or payable out of the oil and gas leasehold estate in the Subject Lease(s), or any part thereof. If Farmor's interest in the Subject Lease(s), insofar as they cover the Subject Lands, is less than a full interest, or if the Subject Lease(s), insofar as they cover the Subject Lands, cover less than a full interest, said overriding royalty shall be proportionately reduced. Said override shall be free and clear of all costs of development and operation; however, such override shall bear the amount of the crude oil windfall profit tax or other similar tax levied upon such share of production and shall bear a proportionate part of all production and other similar taxes levied against Farmor's share of production.

Section 7. Well Information. With respect to the Test Well, Farmee shall comply with the Well Information Requirements set out on Attachment "B" attached by furnishing the reports, documents, samples and other information and by giving the notices indicated thereon.

Section 8. Delay Rentals. If prior to delivery of an assignment by Farmor to Farmee hereunder any delay rental payments or other payments necessary to maintain the Subject Lease(s) in force and effect should become due, Farmor shall make such payments and Farmee shall reimburse Farmor for one hundred percent (100%) of the total amount thereof within thirty (30) days after receiving Farmor's billing therefor.

Section 9. Shut-in Gas Well Payments. Following delivery of an assignment to Farmee hereunder, Farmee agrees to pay for its own account any shut-in gas well payments necessary to maintain the Subject Lease(s) in full force and effect; provided, however, that Farmee shall not be liable for any failure to pay, or for making defective payment of, such shut-in gas well payment, regardless of the cause or reason.

Section 10. Insurance. In connection with all operations conducted hereunder, Farmee shall carry, and cause its subcontractors to carry, the insurance specified on Attachment "C".

Section 11. Compliance with Law. During the course of all operations conducted pursuant to this agreement, Farmee shall abide by all applicable laws and all lawful orders, rules and regulations of governmental authorities having jurisdiction.

Section 12. Relationship of the Parties. It is not the intent or purpose of the parties to this Agreement to create hereunder any partnership, mining or otherwise, joint venture or association relationship or the relationship of agency or employer and employee, and neither this Agreement nor any of the operations hereunder shall be construed as creating any such relationship. The parties expressly agree that no party hereto shall be responsible for the obligations of the other party hereto,

each party being severally responsible only for its obligations arising hereunder and liable only for its proportionate share of the costs and expenses incurred hereunder.

Section 13. Taxation. Notwithstanding any provisions herein that the rights and liabilities hereunder are several and not joint or collective, or that this Agreement and operations hereunder shall not constitute a partnership, if for federal income tax purposes this Agreement or the operations hereunder are regarded as a partnership, each party hereby affected elects to be excluded from the application of all the provisions of Subchapter "K", Chapter 1, Subtitle "A", of the Internal Revenue Code of 1986, as permitted and authorized and by Section 761 of the Code and regulations promulgated thereunder. Operator is authorized and directed to execute on behalf of each party hereby affected such evidence of this election as may be required by the Treasury of the United States or the federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements and data required by Federal Regulation 1.761. Should there be any requirement that each party hereby affected give further evidence of this election, each such party shall execute such documents and furnish such other evidence as may be required by the federal Internal Revenue Service or as may be necessary to evidence this election. No such party shall give any notices or take any other action inconsistent with the election made hereby. If any present or future income tax laws of the state or states in which the Subject Lands are located or any future income tax laws of the United States contain provisions similar to those in Subchapter "K", Chapter 1, Subtitle "A", of the Internal Revenue Code of 1986, under which an election similar to that provided by Section 761 of the Code is permitted, each party hereby affected shall make such election as may be permitted or required by such laws. In making the foregoing election, each such party states that the income derived by such party from operations hereunder can be adequately determined without the computation of partnership taxable income.

Section 14. Successors and Assigns. The terms, covenants, conditions and provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties, and said terms, covenants, conditions and provisions shall be deemed to be real covenants burdening and running with the Subject Lands and the Subject Lease(s).

Section 15. Notices. All notices, statements and communications required or permitted to be given or made hereunder shall be deemed to be so given or made when deposited in the United States Mail, postage prepaid, directed to the parties at the following addresses or such other addresses as they may from time to time designate in writing.

FARMOR: Kaiser-Francis Oil Company
P.O. Box 21468
Tulsa, Oklahoma 74121
attn: Wayne Fields

FARMEE: Samson Resources Company
200 N. Loraine, Suite 1170
Midland, TX 79701
attn: Peggy Kerr

Section 16. Further Assurance. Each of the parties shall, from time to time and at all times, do all such other and further acts and deliver and execute such other and further instruments and documents as may be reasonably required in order to fully perform and carry out the terms and provisions of this Agreement.

Section 17. Attachments. All Attachments referred to herein as being attached hereto are hereby incorporated by reference and made a part hereof as if fully set out herein. In the event any of the provisions of any Attachment conflict with this Agreement, then the provisions the Agreement itself shall control.

Section 18. Miscellaneous.

(a) Whenever the plural, masculine or neuter is used in this Agreement, the same shall include the singular or feminine or body politic or corporate and vice-versa as the context so requires.

(b) The parties agree that with respect to the subject matter hereof this Agreement, together with all Attachments, shall constitute the full and complete understanding and agreement of

the parties, and there are no other understandings, obligations, relationships or agreements, written or oral.

(c) The terms and definitions used herein shall have the same meaning in the Attachments hereto unless the context otherwise requires.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective for all purposes as of the day and year first above written.

KAISER-FRANCIS OIL COMPANY

By: _____
Title: _____

SAMSON RESOURCES COMPANY

By: _____
Marlin Garrett, Vice-President

Attachment "A"

Attached to and made a part of that certain Farmout Agreement dated _____, 2003 by and between Kaiser-Francis Oil Company and Samson Resources Company

Description of Lands:

Township 21 South, Range 35 East,
N.M.P.M. Lea County, New Mexico
Section 9: S/2
containing 320 acres, more or less

Attachment "B"

Attached to and made a part of that certain Farmout Agreement dated
_____, 2003 by and between Kaiser-Francis Oil Company
and Samson Resources Company

Well Requirements

(To be inserted by Kaiser-Francis)

Attachment "C"

Attached to and made a part of that certain Farmout Agreement dated _____, 2003 by and between Kaiser-Francis Oil Company and Samson Resources Company

INSURANCE AND INDEMNITY

At all times while operations are conducted under this Agreement, Operator shall maintain for the benefit of all parties heretb, insurance of the types and in the maximum amounts as follows. Premiums for such insurance shall be charged to the Joint Account.

All such insurance shall be carried in an acceptable company or companies; shall be maintained in full force and effect during the terms of this agreement; and shall not be canceled, altered or amended without 30 days prior written notice. If so required, Operator agrees to have its insurance carrier furnish certificates of insurance evidencing such insurance coverage.

Operator and non-operator working interest owners to agree to mutually waive subrogation in favor of each other on all insurance carried by each party and/or to obtain such waiver from the insurance carrier if so required by the insurance contract. If such a waiver is not obtained, the party failing to do so shall indemnify the other party for any claim by an insurance carrier arising out of Subrogation.

Non-operating working interest owners agree that the limits and coverage carried by Operator are adequate and shall hold Operator harmless if any claim exceeds such limit or is not covered by such policy. Operator will use best effort to provide such coverage and limits at reasonable costs.

A. Worker's Compensation insurance in full compliance with all applicable state and federal laws and regulations.

B. Employer's Liability insurance in the limits of \$500,000 per accident covering injury or death to any employee who may be outside the scope of the Worker's Compensation statute of the state in which the work is performed.

C. Comprehensive General Liability insurance with combined single limits per occurrence/general aggregate of \$2,000,000 for Bodily Injury and Property Damage, including Property Damage by Blowout and Cratering, Completed Operations, and Broad Form Contractual Liability as respects any contract into which the Operator may enter under the terms of this agreement.

D. Automobile Liability insurance covering owned, non-owned and hired automotive equipment with limits for Bodily Injury and Property Damage of \$1,000,000.

E. Umbrella Liability insurance with limit of \$10,000,000.