

The seal of the Commissioner of Public Lands, New Mexico, is a circular emblem. It features a central shield with a landscape scene, including a mountain, a river, and a tree. Above the shield is an eagle with spread wings. The text "COMMISSIONER OF PUBLIC LANDS" is written in a circle around the top, and "NEW MEXICO" is written around the bottom. A banner at the bottom of the shield reads "CRESCIT EUNDO".

AUG 1 - 2005

PATRICK H. LYONS OIL CONSERVATION
COMMISSIONER DIVISION

310 OLD SANTA FE TRAIL

P.O. BOX 1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Holland & Hart LLP

P. O. Box 2208

Santa Fe, NM 87504-2208

Attn: Ms. Ocean Munds-Dry

Re: Final Approval
Mescalero Springs Unit
Chaves County, New Mexico

Dear Ms. Munds-Dry:

Thank you for your letter of July 27, 2005 requesting final approval of the Mescalero Springs Unit Agreement, Chaves County, New Mexico and the filing fee of \$60.00. It is our understanding that Tract Nos. 1, 2, and 5 are not committed to the unit at this time.

The Commissioner of Public Lands has this date granted final approval to the Mescalero Springs Unit Agreement effective July 28, 2005.

Enclosed are five (5) Certificates of Approval.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BÝ:

JAMI BAILEY

Oil, Gas & Minerals Division

(505) 827-5744

PL/JB/pm

pc: Reader File,

~~OCD~~-Santa Fe, Attn: Mr. Roy Johnson

TRD-Attn: Mr. Valdean Severson

RMD-Attn: Ms. Linda Vieira

-State Land Office Beneficiaries -

[illegible]

UNIT NAME: MESCALERO SPRINGS UNIT
OPERATOR: Samson Resources
COUNTY: CHAVES

DATE APPROVED	OCC CASE NO. OCC ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
EFFECTIVE 07/28/2005	CASE NO. 13515 ORDER NO. R-12382	1280.00	1280.00	0	0	STRICT	5 YEARS SO LONG AS

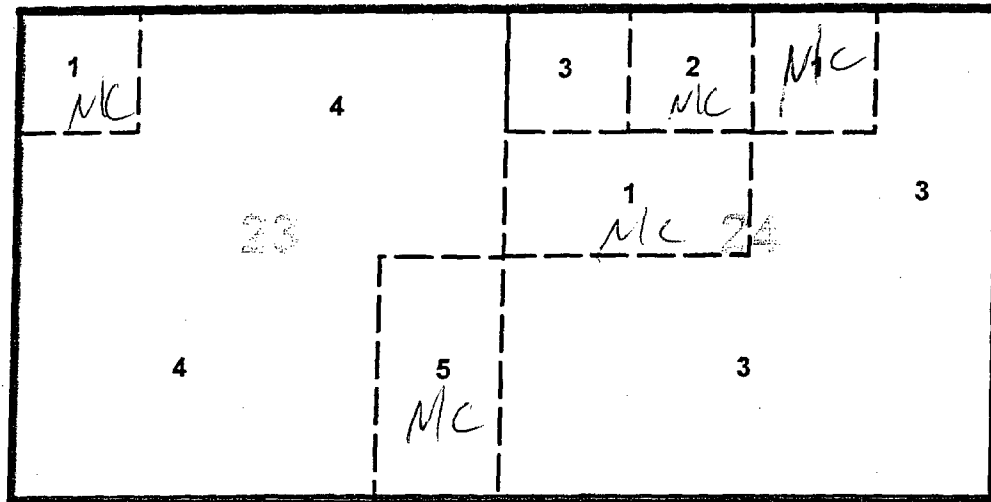
APPROVALS

SLO--07-28-2005
OCD--07-07-2005

TOWNSHIP 11 SOUTH, RANGE 31 EAST

SECTION 23: ALL
SECTION 24: ALL

Exhibit "A"
Schedule of Ownership
Mescalero Springs Unit
Sections 23,24 11S 31E, Chaves County



PETRA 5/4/2005 9:16:14 AM

100% State of New Mexico Lands
Unit Boundary outlined on red

Attachment C
Exhibit "B"
Schedule of Ownership
Mescalero Springs Unit

Tract No.	Description of Lands	Acres	Serial No./Status	Expiration Date	Basic Royalty/%	Lessee of Record	ORRI %	WI %
1	NW4NW4	23 11S 31E	40	B1-0418-0094/Active	HBP	1/8 roy/12.5%	Hassie Hunt Expl. <i>N/C</i>	100
1	S2NW4	24 11S 31E	80	B1-0418-0094/Active	HBP	1/8 roy/12.5%	Vada Spruck <i>N/C</i>	100
1	NW4NE4	24 11S 31E	40	B1-0418-0094/Active	HBP	1/8 roy/12.5%	Hassie Hunt Expl. <i>N/C</i>	100
1							Leon Manny et al <i>N/C</i>	16.63
Tr. 1 Total		160						
2	NE4NW4	24 11S 31E	40	E0-4191-0002/Active	HBP	1/8 roy/12.5%	Marshall & Winston	100
Tr. 2 Total		40						
3	NW4NW4	24 11S 31E	40	VA-2195-0000/Active	8/5/2005	1/8 roy/12.5%	Marathon Oil 7/22/05 (Assignee M.E. Cheney)	100
3	NE4NE4, S2NE4	24 11S 31E	120	VA-2195-0000/Active	8/5/2005	1/8 roy/12.5%	Marathon Oil 7/22/05 (Assignee M.E. Cheney)	100
3	S2	24 11S 31E	320	VA-2195-0000/Active	8/5/2005	1/8 roy/12.5%	Marathon Oil 7/22/05 (Assignee M.E. Cheney)	100
Tr. 3 Total		480						
4	SW4NW4, E2NW4, NE4	23 11S 31E	280	VA-2206-0000/Active	8/5/2005	1/8 roy/12.5%	Marathon Oil 7/22/05 (Assignee M.E. Cheney)	100
4	SW4, W2SE4	23 11S 31E	240	VA-2206-0000/Active	8/5/2005	1/8 roy/12.5%	Marathon Oil 7/22/05 (Assignee M.E. Cheney)	100
Tr. 4 Total		520						
5	E2SE4	23 11S 31E	80	VO-7459	6/21/2010	1/6 roy/16.67%	Yates Pet Acquired at June 21, 2005 Sale	100
Tr. 5 Total		80						

3: 48 1/2

4: 52 1/2

100 1/2

1000 AC. COMMITTEE
 10000 STATE



PATRICK H. LYONS
COMMISSIONER

State of New Mexico PM 2 16
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

July 31, 2006

Samson Resources Inc.
Centennial Tower
200 N. Loraine, Suite 1010
Midland, TX 79701

Attn: Ms. Rita A. Buress

Re: Subsequent Joinder Approval Tracts 1, 2 and 5
Mescalero Springs Exploratory Unit
Lease Nos. B-10418-94, E-4191-2, V-7459-1
Effective July 2, 2006
Lea County, New Mexico

Dear Ms. Buress:

Thank you for your letter of July 27, 2006 requesting the subsequent joinder approval of Hassie Hunt Exploration (Tract #1, B-10418-94), Marshall & Winston (Tract #2, E-4191-2), Samson Resources and Chesapeake Exploration (Tract #5, V-7459-1).

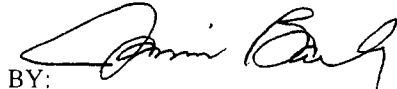
The Commissioner of Public Lands has this date approved the subsequent joinder of Hassie Hunt Exploration, Marshall & Winston, Samson Resources and Chesapeake Exploration to the Mescalero Springs Exploratory Unit Agreement. Pursuant to your request this joinder is effective as of July 2, 2006 being the date of first production from the Mescalero Springs Unit Well No. 1.

Please notify all interested parties of this action.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY
Oil, Gas & Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
OCD-Santa Fe, Attn: Mr. Roy Johnson
TRD-Attn: Mr. Valdean Severson
RMD-Attn: Ms. Linda Vieira
BLM-Attn: Mr. John Simitz

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Salina Lands • Water Reservoirs • Western New Mexico University



2006 JUL 12 PM 3 28

PATRICK H. LYONS
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State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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www.nmstatelands.org

July 11, 2006

Samson
200 N. Loraine, Suite 1010
Midland, TX 79701

Attn: Ms. Rita Buress

Re: Mescalero Springs State Unit Well No. 1
NW/4SW/4 (L) Sec. 23-11S-31E
Commercial Well Determination
Chaves County, New Mexico


Dear Ms. Buress:

Thank you for your letter of June 27, 2006 with data that supports the commercial determination regarding the Mescalero Springs State Unit Well No. 1. The Commissioner of Public Lands concurs with this determination that the well is a commercial well in the Morrow formation. Please submit a communitization agreement for the Morrow formation covering the W/2 of Sec. 23-11S-31E.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
OCD-Attention: Mr. David Catanach



MAY 19 2005
OIL CONSERVATION
DIVISION

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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SANTA FE, NEW MEXICO 87504-1148

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May 17, 2005

Cheney Energy Partners, LLC
14511 Falling Creek, Suite 300
Houston, Texas 77014

Attention: Mr. Mitchel E. Cheney

Re: Preliminary Approval
Proposed Mescalero Springs Unit
Chaves County, New Mexico

Dear Mr. Cheney:

This office has received the unexecuted copy of the unit agreement, which you have submitted for the proposed Mescalero Springs Unit area, Chaves County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands, who has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short-term leases, until final approval and an effective date have been given.

When submitting your agreement for final approval, please submit the following:

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. Pursuant to Rule 19.2.100.51, applications for approval shall contain a statement of facts showing:
 - a. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
 - b. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit area.
 - c. That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
 - d. That such unit agreement is in other respects for the best interest of the trust.
3. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State

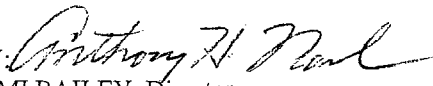
Cheney Energy Partners, LLC
May 17, 2005
Page 2

4. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.
5. Please submit an original and one copy of the Unit Agreement.
6. A copy of the Unit Operating Agreement (if applicable).
7. Copies of all the well records for the initial unit well and any subsequent well.
8. Please submit a filing fee in the amount of \$60.00.
9. Pursuant to NMSLO Rule 19.2.100.23 please submit a \$20,000 Multi-lease Surface Improvement Damage Bond
10. It is our understanding that Tract #5, currently open acreage, will be leased prior to your request for final approval.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/pm

cc: OCD-Santa Fe, Attention: Mr. Roy Johnson
William F. Carr