



Centennial Tower
200 N. Lorraine, Suite 1010
Midland, TX 79701
USA
432/683-7063
Fax 432/683-6847

September 15, 2006

BP America Production Company
Attn: Mr. Thomas M. Furtwangler
501 Westlake Park Blvd., No. 6.198
Houston, Texas 77079

Re: Osudo Area - Section 32, E $\frac{1}{2}$, T20S-R36E,
NMPM, Lea County, New Mexico

Gentlemen:

Samson Resources Company plans to drill its Osudo 32 State COM No 1 Well, located 1,980' FSL & 660' FEL of Section 32, T20S, R36E, NMPM, Lea County, New Mexico on or before the end of the first quarter of 2007. Said test well will be drilled to a depth of 11,650 feet or to a depth sufficient to test the Morrow formation, which ever is the lesser.

Pursuant to the enclosed Original Drilling Title Opinion dated July 12, 2006, BP America Production Company is the present record title owner of the leasehold rights covering the NE $\frac{1}{4}$ of Section 32, while Samson is the present record title owner of the leasehold rights covering the SE $\frac{1}{4}$ of Section 32. The E $\frac{1}{2}$ of Section 32 will be assigned as the allocated spacing unit for this Morrow test well. Samson respectfully request that BP participate in the drilling of the aforementioned well by executing and returning the enclosed Operating Agreement and AFE.

In the alternative, should BP elect not to participate in the drilling of the aforementioned test well, Samson respectfully requests that BP grant Samson a term assignment covering its interest in the NE $\frac{1}{4}$ of Section 32. Said term assignment being based on a consideration payment of \$250.00 per net acre for a two (2) year primary term, and delivering to Samson no less than an 80% net revenue interest leasehold.

All the above being subject to final management approval and the execution of a mutually acceptable term assignment. Please be advised that Samson reserves the right to withdrawn its offers at any time, without notice, subsequent to the expiration of forty-five (45) days from the date of this letter. Your time and attention to this matter is appreciated.

Sincerely,

A handwritten signature in cursive script that reads 'Thomas R. Land'.

Thomas R. Land, CPL
Senior Landman

BPLetterOffer09-15-2006

Oil Conservation Division
Case No. 13,838
Exhibit No. 2



Centennial Tower
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Certified Article Number

7160 3901 9849 7498 2146

SENDERS RECORD

November 27, 2006

BP America Production Company
Attn: Mr. Thomas M. Furtwangler
501 Westlake Park Blvd., No. 6.198
Houston, Texas 77079

Re: Osudo Area - Section 32, E $\frac{1}{2}$, T20S-R36E,
NMPM, Lea County, New Mexico

Gentlemen:

Pursuant to Samson Resources Company's original letter dated September 15, 2006 notifying BP America Production Company of Samson's intent to drill its Osudo 32 State COM No 1 Well, located 1,980' FSL & 660' FEL of Section 32, T20S, R36E, NMPM, Lea County, New Mexico on or before the end of the first quarter of 2007. Said test well to be drilled to a depth of 11,650 feet or to a depth sufficient to test the Morrow formation, whichever is the lesser. Samson has moved the above location 440' to the West due to geophysical and geological information. Therefore, the aforementioned well is now located 1,980' FSL & 1,100' FEL of Section 32, T20S, R36E, NMPM, Lea County, New Mexico.

Also it is Samson's understanding that BP has elect not to participate in the drilling of the aforementioned test well. Samson respectfully requests that BP grant Samson a term assignment of BP's interest in the NE $\frac{1}{4}$ of Section 32 as stated in Samson's original letter dated September 15, 2006. Said term assignment being based on a consideration payment of \$250.00 per net acre (\$40,000.00) for a two (2) year primary term, and delivering to Samson no less than an 80% net revenue interest leasehold.

All being subject to the final approval of management, as well as the execution of a mutually acceptable term assignment. Please be advised that Samson reserves the right to withdrawn its offers at any time, without notice, subsequent to the expiration of fifteen (15) days from the date of this letter.

Sincerely,

A handwritten signature in black ink that reads 'Thomas R. Land'.

Thomas R. Land, CPL
Senior Landman