

Nearburg Exploration Company, L.L.C.

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
915/686-8235
Fax 915/686-7806

September 17, 1998

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Samson Resources Company
Two W. Second Street
Tulsa, Oklahoma 74103

Re: Viper "3" Fed. #1 Well
Surface Location: 1,600' FEL and 2,200' FSL
Bottom Hole Location: 1,650' FNL and 1,650' FEL
Section 3, T-20-S, R-33-E
Lea County, New Mexico
Viper Prospect

Gentlemen:

Nearburg Exploration Company, L.L.C. (Nearburg) hereby proposes the drilling of the captioned well at the above location to a depth to adequately test the Morrow formation, estimated to be 13,700', dedicating the N/2 of Section 3 as a 320 acre spacing unit. Enclosed with this proposal letter is Nearburg Producing Company's AFE setting forth the estimated costs to drill and complete this well. Also enclosed please find Nearburg's form of Operating Agreement, which we propose to govern the drilling of this well designating Nearburg Producing Company as operator.

We invite you to participate in the drilling of this well or, in the alternative, to either grant Nearburg an acceptable farmout or term assignment of your interest to be included in the N/2 of Section 3. If you elect to participate in the drilling of this well, please execute the extra set of signature pages to the Operating Agreement and a copy of the enclosed AFE and return to the attention of the undersigned.

If we can be of further assistance, please feel free to contact the undersigned.

Yours very truly,



Duke Roush
Senior Landman

DR/dw
encl.

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12087 Exhibit No. — 6
Submitted By:
Nearburg Exploration Co.
Hearing Date: November 19, 1998

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return the card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Samson Resources Company
Two W. Second Street
Tulsa, Oklahoma 74103

4a. Article Number

0497 370 024

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD

7. Date of Delivery

SEP 21 1998

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *David Peterson*

PS Form 3811, December 1994

102565-97-B-0179

Domestic Return Receipt

P 497 370 024

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Post to

Samson Resources Company
Two W. Second Street
Tulsa, Oklahoma 74103

Certified Fee

Special Delivery Fee

Restricted Delivery Fee

Return Receipt Showing to Whom & Date Delivered

Return Receipt Showing to Whom, Date, & Addressee's Address

TOTAL Postage & Fees \$

Postmark or Date

Viper "3" Fed. #1

5961 April 1995 PS Form 3800

Thank you for using Return Receipt Service.

cc to TRM
9-18-98

Nearburg Producing Company

Exploration and Production

Dallas, Texas

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AUTHORITY FOR EXPENDITURE

LEASE: Viper "3" Federal WELL NUMBER: 1 PROPOSED TOTAL DEPTH: 13,700' (TVD)
 LOCATION: SHL: 1,600' FEL & 2,200' FSL, BHL: 1,650' FEL & 1,650' FNL, Section 3, T20S, R33E, Lea County, NM
 FIELD: Buffalo Penn Gas East PROSPECT: Viper EXPLORATORY, DEVELOPMENT, WO: E
 DESCRIPTION OF WORK: Drill directionally to BHL and complete as a flowing Morrow gas producer.
 Cost estimate does not include fracture stimulation.
 DATE PREPARED: 8/6/98 EST. SPUD DATE: 1998 EST. COMPLETION DATE:
 ACCOUNTING WELL NUMBER:
 COMMUNICATIONS ACCOUNT NUMBER:

INTANGIBLE COSTS:				CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Drilling Footage	13,700 Ft @	\$/Ft		1514.101	0	NA		0
Drilling Daywork	D/C\$/day 60	2 5800		1514.103	348,000	1515.103	11,600	359,600
Drilling Turnkey				1514.110		1515.110		0
Rig Mobilization and Demobilization				1514.113	25,000	1515.113	3,000	28,000
Road & Location Expense				1514.120	25,000	1515.123		25,000
Damages				1514.125	5,000	1515.125		5,000
Directional Drilling - Tools and Service				1514.130	80,000	1515.130		80,000
Drilling Fluids				1514.133	55,000	1515.132	1,000	56,000
Fuel, Power, and Water				1514.140	20,000	1515.140	2,000	22,000
Supplies - Bits				1514.145	60,000	1515.143	1,000	61,000
Supplies - Casing Equipment				1514.150	4,000	1515.150	8,000	12,000
Supplies - Liner Equipment				1514.155	13,500	1515.155		13,500
Supplies - Miscellaneous				1514.160	1,000	1515.160	500	1,500
Cement and Cmt. Services - Surface Csg				1514.165	7,000	NA		7,000
Cement and Cmt. Services - Int. Csg				1514.170	12,500	NA		12,500
Cement and Cmt. Services - Prod. Csg				NA		1515.172	30,000	30,000
Cement and Cmt. Services - Other				1514.175	8,000	1515.175		8,000
Rental - Drilling Tools and Equipment				1514.180	20,000	1515.180		20,000
Rental - Miscellaneous				1514.185	15,000	1515.185	3,000	18,000
Testing - Drill Stem / Production				1514.195	8,000	1515.195	2,500	10,500
Open Hole Logging				1514.200	40,000	NA		40,000
Mudlogging Services				1514.210	15,000	NA		15,000
Special Services				1514.190		1515.190		0
Plug and Abandon				1514.215	12,000	1515.215	(12,000)	0
Pulling and/or Swabbing Unit				NA		1515.217	12,000	12,000
Reverse Equipment				NA		1515.218	3,000	3,000
Wireline Services				1514.205		1515.225	18,000	18,000
Stimulation				NA		1515.221	12,000	12,000
Pump / Vacuum Truck Services				1514.220	500	1515.220	2,500	3,000
Transportation				1514.225	1,500	1515.225	4,000	5,500
Tubular Goods - Inspection & Testing				1514.230	1,500	1515.230	10,000	11,500
Unclassified				1514.235		1515.245		0
Telephone and Radio Expense				1514.240	1,500	1515.240	500	2,000
Engineer / Geologist / Landman				1514.250	7,500	1515.250	2,500	10,000
Company Labor - Field Supervision				1514.255	25,000	1515.265	7,000	32,000
Contract Labor / Roustabout				1514.265	8,000	1515.265	7,000	15,000
Legal and Professional Service				1514.270	5,000	1515.270	2,000	7,000
Insurance				1514.275	21,300	1515.275		21,300
Overhead				1514.280	13,000	1515.280	3,000	16,000
SUBTOTAL					858,800		134,100	992,900
Contingencies (10%)					85,880		13,410	99,290
ESTIMATED TOTAL INTANGIBLES					944,680		147,510	1,092,190

Nearburg Producing Company

Exploration and Production

Dallas, Texas

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AUTHORITY FOR EXPENDITURE

LEASE: Viper "3" Federal

WELL NUMBER: 1

PROPOSED TOTAL DEPTH: 13,700' (TVD)

LOCATION: SHL: 1,600' FEL & 2,200' FSL, BHL: 1,650' FEL & 1,650' FNL, Section 3, T20S, R33E, Lea County, NM

FIELD: Buffalo Penn Gas East

PROSPECT: Viper

EXPLORATORY, DEVELOPMENT, WO: E

DESCRIPTION OF WORK: Drill directionally to BHL and complete as a flowing Morrow gas producer.

DATE PREPARED: 8/6/98

EST. SPUD DATE: 1998

EST. COMPLETION DATE:

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:				CODE	TO CSG PT	CODE	COMPLETION	TOTAL WELL
Conductor Casing				1522.305		NA		0
Surface Csg	1,350 Ft @	25.00 \$/Ft		1522.310	33,750	NA		33,750
Intermediate Csg	3,750 Ft @	27.50 \$/Ft		1522.315	103,125	NA		103,125
Protection Csg	1,700 Ft @	14.50 \$/Ft		1522.320	24,650	NA		24,650
Production Csg	13,843 Ft @	10.00 \$/Ft		NA		1522.325	138,430	138,430
Protection Liner	Ft @	\$/Ft		1522.330	0	NA		0
Production Liner	Ft @	\$/Ft		NA		1522.335	0	0
Tubing	13,400 Ft @	3.25 \$/Ft		NA		1522.340	43,550	43,550
Rods	Ft @	\$/Ft		NA		1522.345	0	0
Artificial Lift Equipment				NA		1522.350		0
Tank Battery				NA		1522.355	10,000	10,000
Separators/Heater Treater/Gas Units/FWKO				NA		1522.360	15,000	15,000
Well Head Equipment & Christmas Tree				1522.365	3,500	1522.365	12,000	15,500
Subsurface Well Equipment				NA		1522.370	6,000	6,000
Flow Lines				NA		1522.375	25,000	25,000
Saltwater Disposal Pump				NA		1522.380		0
Gas Meter				NA		1522.385	3,000	3,000
Lact Unit				NA		1522.390		0
Vapor Recovery Unit				NA		1522.395		0
Other Well Equipment				NA		1522.400		0
ROW and Damages				NA		1522.405	2,500	2,500
Surface Equipment Installation Costs				NA		1522.410	7,500	7,500
Elect. Installation				NA		1522.415		0
ESTIMATED TOTAL TANGIBLES					165,025		262,980	428,005
ESTIMATED TOTAL WELL COSTS					1,109,705		410,490	1,520,195

NPC APPROVAL		DATE
PREPARED BY:	<i>H. R. Willis</i>	8/6/98
APPROVED BY:	<i>E. Scott Kimbrough</i>	8/6/98
APPROVED BY:	<i>[Signature]</i>	9/18/98
APPROVED BY:	<i>[Signature]</i>	9/18/98

WI APPROVAL: COMPANY SAMSON RESOURCES COMPANY 75.00%

BY

TITLE

DATE