



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



August 12, 2008

Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-5893

**Re: Samson Resources Company
Lea Federal Unit Well No. 22
API No. 30-025-39010
1980 FNL and 980 FEL
Unit H, Section 12-20S-34E
Lea County**

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-19836913**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Samson Resources Company (Samson) on July 15, 2008, and

(b) the Division's records pertinent to this request.

Samson has requested to drill the above-referenced well at the unorthodox Bone Spring oil well location specified in the caption of this letter. The E/2 NE/4 of Section 12 will be dedicated to this well in order to form a standard 80-acre spacing unit in the undesignated Lea-Bone Spring Pool (37570). Spacing in this pool is governed by Rules 2 and 3 of the Special Rules and Regulations for the Lea-Bone Springs Pool, as adopted by Order R-1827 issued on December 8, 1960, which provide for 80-acre units with wells to be located within 150 feet of the center of a quarter/quarter section. This location is more than 150 feet west of the center of the SE/4 NE/4 of Section 12

Your application on behalf of Samson is duly filed under the provisions of Division Rules 104.F and 1210.A(2).



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It is our understanding that you are seeking this location in order to comply with United States Bureau of Land Management surface location requirements.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
United States Bureau of Land Management - Carlsbad