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August 27, 2008

Mark E. Fesmire, P.E. Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Samson Resources Company applied on July 29, 2008) for approval of an unorthodox oil well location in the Bone Spring formation for the following well:

Well:

Lea Federal Unit No. 23

Location:

330 feet FNL & 330 feet FWL

Well Unit:

Lot 1 and the NE¼NW¼ (N½NW¼) of Section 18, Township 20

South, Range 35 East, N.M.P.M., Lea County, New Mexico (79.89

acres)

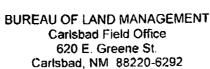
The location was based on BLM requirements. Enclosed is a letter from the BLM to the Division explaining the reason for the location.

Very truly yours,

james bruce

Attorney for Samson Resources Company







Reply Refer To: 6840

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OCD-ARTESIA

NM Oil Conservation Division Attn: Tim Gum 1301 W Grand Avenue Artesia, NM 88210

Dear Sir:

The Bureau of Land Management, Carlsbad Field Office recently reviewed and approved an Application for Permit to Drill submitted by Samson Resources called the Lea-Federal #23 in Section 18 of Township 20 South, Range 35 East. The footages on the original application were 330 feet from the north line and 790 feet from the west line. However, upon site review in the field, the proposed location was discovered to be in sand dune lizard habitat adjacent to occupied sand dune lizard habitat. According to the BLM-Pecos District Special Status Species Resource Management Plan Amendment (RMPA, 2008) the location was unacceptable due to potential impacts to the sand dune lizard, a candidate to be considered for protection under the Endangered Species Act. The management prescription in the RMPA is to move locations away from the sand dunes up to 200 meters to minimize potential impacts. This placed the proposed location in an unorthodox position at 330 feet from the north line and 330 feet from the west line but still allowed the applicant a surface location to access leased federal minerals. If you have any questions, please contact Ty Allen, a wildlife biologist on my staff, at (575) 234-5978.

Sincerely.

Jim Stovall

Field Office Manager Carlsbad Field Office