



Samson Approval Sheet Operated Drilling

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GEOLOGIST	ASSET ENGINEER	LANDMAN	GEOPHYSICIST	ASP TEAM	SUB TEAM
Gary Casady	Ken Krawetz	Rita Bures	Bob Nims	Permit	0

BUDGET YEAR: PY07

BUDGET PROJECT: SW Morrow

PROSPECT NAME: SW Morrow

DIVISION: Permian

WELL TYPE: Development

EST. SAMSON WYS: 100.0000%

WELL NAME: Osada 32 State Com No 1

LEGAL DESCRIPTION: 1000 PM, & 000 PEL Sec 32 T20S R20E

COUNTY/STATE: Lee, New Mexico

ESTIMATED SPUD DATE: 9/1/2006

EST. SAMSON HRS: \$1,2500%

PROJECT DESCRIPTION: 1A,000'
Drill and Complete 34,000' Morrow gas well
Sand maps are attached. Major risk is reservoir quality. Wellcamp is secondary target.
Economics based on IP of 1000 mcpd and 15 bopd with gross reserves of 1.8 SCF and 15 mbo.

REQUIRED DATA FOR DEVELOPMENT WELLS

Anticipated First Sales Date: Dec-06 Price Deck Used: _____

PV: 1.31 Risked Oil Gas (MMCFE): 1,934

NPV (8.5): 1279

REQUIRED DATA FOR EXPLORATION & EXTENSION WELLS:

P10 MMCFE: _____ Mean Net Pay (ft): _____

P90 MMCFE: _____ Mean Area (acres): _____

Mean Risked Gross MMCFE: _____ Total Risked Capital: _____

Critical Risk: _____ Risked NPV: _____

Pg: _____ Risked PVI: _____

Pc: _____ Total Unrisked Capital: _____

Pe: _____ Unrisked NPV: _____

Development Wells in Economics: _____ Unrisked PVI: _____

Reservoir Objectives(s): _____ Price Deck Used: _____

PROJECT DECISION CHECKPOINTS:

Decision Point #1: _____ Decision Capital: _____

Decision Point #2: _____ Decision Capital: _____

	Dry Hole	Completion	Completed Well Cost
SINGLE WELL COSTS (Gross)	\$2,880,146	\$87,290	\$3,867,396
SINGLE WELL COSTS (Net)	\$2,880,146	\$87,290	\$3,867,396
NUMBER OF WELLS APPROVED	1	1	1
TOTAL COSTS (NET to SRC)	2,880,146	87,290	3,867,396

If multiple wells, Total Well Cost will be for entire group - not just one well
If multiple wells, attach drilling showing well name and legal description.

APPROVALS: (no initials please)

APPROVAL LEVEL REQUIRED: Exec VP

For The Team

Team Manager

Division VP

Executive VP of Exploration

Executive VP of Operations

Co-CEO

Date:

Date:

Date:

Date:

Date:

Date:

ADDITIONAL COMMENTS/INSTRUCTIONS:

Prepared:

Date:

Presented setup: route per routing guidelines

Reviewed for each approval: route per routing guidelines

Oil Conservation Division
Case No. 17,838
Exhibit No. 3



SAMSON

AFE

Well Name:	Osido 32 State Corn No 1	Division:	Yight & Unconventional Gas
Legal Location:	1880 FSL & 680 FEL Sec 32 T20S R38E	Prospect:	Osido 32 State Corn No 1
Proposed YD:	11,850'	County, State:	Lee, New Mexico
Objective:	MorrowWellcamp		

CODE	DRY HOLE	
2700-001	Surface Damages & Right of Way	20,000
2700-002	Roads & Location	75,000
2700-003	Rathole & Conductor Service	8,000
2700-004	Mobilization / Demobilization	150,000
2700-005	Drilling Daywork	0 days
2700-006	Drilling Footage	0
2700-007	Drilling Turnkey	0
2700-008	Fuel, Water & Power	131,837
2700-009	Fuel, Water & Power (ACP)	6,788
2700-009	Mud, Materials & Services	50,000
2700-010	Bits, Reamers & Stabilization	85,000
2700-011	Directional Equipment & Services	0
2700-012	Rental Equipment	181,500
2700-013	Logging - Drilling	0
2700-013	Logging & Formation Evaluation - Geology	100,000
2700-014	Cementing - Eqp. Materials & Services	110,000
2700-015	Inspection Services	18,000
2700-016	Transportation	34,000
2700-017	Supervision & Technical Personnel	49,200
2700-018	Pipe Crews - Equipment & Labor	21,500
2700-019	Labor & Supplies	28,000
2700-020	Insurance	18,484
2700-021	Overhead	12,300
2700-022	Plugging & Abandonment	0
2700-028	Miscellaneous & Contingency	194,289
2700-035	Location Restoration (Dryhole)	75,000
2700-135	Location Restoration (Completion)	0
2700-038	Closed Mud System, Materials, & Services	0
2700-329	Legal & Regulatory	10,000
2800-001	Protective/Service Csg.	feet @ \$ per ft 58,000
2800-002	Intermediate Csg.	feet @ \$ per ft 355,200
2800-003	Liner	feet @ \$ per ft 273,000
2800-105	Production Tbg.	feet @ \$ per ft 0
2800-008	Wellhead Equipment	20,000
COMPLETION		
2700-102	Roads & Location	5,000
2700-005	Drilling Daywork	48,000
2700-108	Fuel, Water & Power	10,000
2700-009	Mud, Materials & Services (Drilling ACP)	5,000
2700-109	Kill Fluids, Mud, & Services (Completion)	15,000
2700-010	Bits, Reamers & Stabilization (Drilling ACP)	0
2700-110	Bits, Reamers & Stabilization (Completion)	0
2700-012	Rental Equipment (Drilling ACP)	0
2700-112	Rental Equipment (Completion)	20,000
2700-113	Logging - Production	6,000
2700-014	Cementing - Eqp. Materials & Services (Drilling ACP)	40,000
2700-114	Cementing - Eqp. Materials & Services (Completion)	0
2700-015	Inspection Services (Drilling ACP)	0
2700-115	Inspection Services (Completion)	5,000
2700-016	Transportation (Drilling ACP)	0
2700-116	Transportation (Completion)	15,000
2700-017	Supervision & Technical Personnel (Drilling ACP)	3,800
2700-117	Supervision & Technical Personnel (Completion)	12,000
2700-018	Pipe Crews - Equipment & Labor (Drilling ACP)	12,000
2700-118	Pipe Crews - Equipment & Labor (Completion)	0
2700-019	Labor & Supplies (Drilling ACP)	1,000
2700-119	Labor & Supplies (Completion)	10,000
2700-120	Insurance	0
2700-121	Overhead	0
2700-123	Completion Rig	12 days at \$4,000.00 per day 48,000
2700-125	Perforating	15,000
2700-126	Acidizing, Fracturing & Sand Control	LIST ZONES: 175,000
2700-127	Wireline Services - not including perforating	5,000
2700-128	Miscellaneous & Contingency	85,000
2700-329	Legal & Regulatory	80
2800-003	Liner	0
2800-004	Prod Csg.	18,200
2800-105	Production Tbg.	93,450
2800-008	Wellhead Equipment	42,000
2800-108	Surface Equipment	130,000
2800-110	Subsurface Equipment	65,000
2800-111	Artificial Lift Equipment	0
2800-116	Pipeline & Meter Facilities	20,000
TOTAL COST		\$3,867,386

TOTAL DHC \$2,980,146
TOTAL CMPL COST \$887,250

APPROVAL SIGNATURE _____
COMPANY _____
DATE _____