



Will

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

Certified Article Number  
7160 3901 9849 7498 0135  
SENDERS RECORD

March 13, 2008

State of New Mexico Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Re: Order No. R-12917, Case No. 14090  
**Osudo 33 State Com No. 1 Well**  
Section 33, W/2, T20S, R36E  
NMPM, Lea County, New Mexico

RECEIVED  
2008 MAR 17 PM 1 48

To Whom It May Concern:

Enclosed here with is a copy of the election letter sent to Oxy USA along with a copy of Samson Resources' Authority For Expenditure (AFE) for your records.

Thank you,

Thomas R. Land, CPL  
Senior Landman



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200 N. Loraine, Suite 1010  
Midland, TX 79701  
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Certified Article Number

7160 3901 9849 7496 7143

SENDERS RECORD

March 6, 2008

Oxy USA, Inc.  
Attn: Mr. Patrick S. Sparks  
P. O. Box 50250  
Midland, Texas 79710

Re: Osudo 33 State Com No 1 Well  
Section 33, W $\frac{1}{2}$ , T-20-S, R-36-E,  
NMPM, Lea County, New Mexico

Gentlemen:

Enclosed herewith is a copy of Order No R-12917, Case No 14090 from the State of New Mexico's Energy, Minerals and Natural Resources Department Oil Conservation Division for your review and files. Also enclosed is Samson Resources Company's Authority For Expenditure (AFE) totaling \$3,717,097.00. Said AFE is issued for the purpose of drilling, testing and completing Samson's Osudo 33 State Com No 1 Well, to be located 1,160' FNL and 660' FWL of Section 33, T20S, R36E, NMPM, Lea County, New Mexico, as an 11,600 foot Morrow test well.

OXY USA WTP Limited Partnership has thirty (30) days (i.e.: by Friday, April 4, 2008) to make an election to either; (i) participate in the drilling of the well by paying your proportionate share of the cost of the well up front (i.e.: by Friday, April 4, 2008) to Samson Resources Company, or (ii) be a "non consenting pooled working interest owner" in accordance with and subject to all terms and provisions of Compulsory Pooling Order No R-12917, Case No 14090.

Upon the receipt of the enclosed AFE or upon your specific request, we will forward to you a Joint Operating Agreement for your review and execution. You will need to furnish me with your well information requirements. Should you have any questions concerning this matter please contact me at 1 (432) 686-6309.

Sincerely,

Thomas R. Land, CPL  
Senior District Landman

OxyLetterOffer-03-06-2008



**SAMSON**  
AFE

Well Name: Osudo 33 State Com No 1	Division: Tight & Unconventional Gas
Legal Location: 1160' FNL & 660' FWL Section 33 T20S R36E	Prospect: Osudo NM044
Proposed TD: 11600'	County, State: Lea, New Mexico
Objective: Morrow/Wolfcamp	

CODE	DRY HOLE			
2700-001	Surface Damages & Right of Way			25,000
2700-002	Roads & Location			75,000
2700-003	Rathole & Conductor Service			10,000
2700-004	Mobilization / Demobilization			150,000
2700-005	Drilling Daywork	40 days		700,758
2700-006	Drilling Footage			0
2700-007	Drilling Turnkey			0
2700-008	Fuel, Water & Power			152,000
2700-008	Fuel, Water & Power (ACP)			6,500
2700-009	Mud, Materials & Services			90,000
2700-010	Bits, Reamers & Stabilization			90,000
2700-011	Directional Equipment & Services			0
2700-012	Rental Equipment			210,000
2700-013	Logging - Drilling			0
2700-213	Logging & Formation Evaluation - Geology			100,000
2700-014	Cementing - Eqpt, Materials & Services			150,000
2700-015	Inspection Services			18,780
2700-016	Transportation			20,000
2700-017	Supervision & Technical Personnel			45,600
2700-018	Pipe Crews - Equipment & Labor			24,500
2700-019	Labor & Supplies			11,250
2700-020	Insurance			15,103
2700-021	Overhead			12,500
2700-022	Plugging & Abandonment			0
2700-028	Miscellaneous & Contingency			185,449
2700-035	Location Restoration (Dryhole)			25,000
2700-135	Location Restoration (Completion)			80,000
2700-038	Closed Mud System, Materials, & Services			4,000
2700-329	Legal & Regulatory			25,000
2800-001	Protective/Surface Csg:	feet @	\$ per ft	64,750
2800-002	Intermediate Csg:	feet @	\$ per ft	181,125
2800-003	Liner:	feet @	\$ per ft	273,000
2800-105	Production Tbg:	feet @	\$ per ft	0
2800-008	Wellhead Equipment			25,000
<b>COMPLETION</b>				
2700-102	Roads & Location			5,000
2700-005	Drilling Daywork			36,882
2700-108	Fuel, Water & Power			15,000
2700-009	Mud, Materials & Services (Drilling ACP)			0
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)			60,000
2700-113	Logging - Production			15,000
2700-014	Cementing - Eqpt, Materials & Services (Drilling ACP)			40,000
2700-114	Cementing - Eqpt, Materials & Services (Completion)			0
2700-015	Inspection Services (Drilling ACP)			0
2700-115	Inspection Services (Completion)			0
2700-016	Transportation (Drilling ACP)			0
2700-116	Transportation (Completion)			15,000
2700-017	Supervision & Technical Personnel (Drilling ACP)			2,400
2700-117	Supervision & Technical Personnel (Completion)			10,000
2700-018	Pipe Crews - Equipment & Labor (Drilling ACP)			20,000
2700-118	Pipe Crews - Equipment & Labor (Completion)			0
2700-019	Labor & Supplies (Drilling ACP)			2,500
2700-119	Labor & Supplies (Completion)			25,000
2700-120	Insurance			0
2700-121	Overhead			0
2700-123	Completion Rig	10 days at	\$5,000.00 per day	50,000
2700-125	Perforating			20,000
2700-126	Acidizing, Fracturing & Sand Control	LIST ZONES:		175,000
2700-127	Wireline Services -- not including perforating			12,000
2700-128	Miscellaneous & Contingency			100,000
2700-329	Legal & Regulatory			\$0
2800-003	Liner:			0
2800-004	Prod Csg:			18,900
2800-105	Production Tbg:			79,100
2800-008	Wellhead Equipment			45,000
2800-109	Surface Equipment			150,000
2800-110	Subsurface Equipment			15,000
2800-111	Artificial Lift Equipment			0
2800-116	Pipeline & Meter Facilities			20,000
<b>TOTAL COST</b>				<b>\$3,717,097</b>

TOTAL DHC           \$2,770,315  
TOTAL CMPL COST   \$946,782

APPROVAL SIGNATURE \_\_\_\_\_  
COMPANY \_\_\_\_\_  
DATE \_\_\_\_\_

7160 3901 9849 7496 7143

**TO:** Oxy USA, Inc.  
Attn: Mr. Patrick S. Sparks  
P. O. Box 50250  
Midland, Texas 79710

**SENDER:** Vicky

**REFERENCE** Osudo 33 State COM #1

PS Form 3800, January 2005

RETURN RECEIPT SERVICE	Postage	1.14
	Certified Fee	2.65
	Return Receipt Fee	2.15
	Restricted Delivery	
	Total Postage & Fees	5.94

US Postal Service  
**Receipt for  
Certified Mail**  
No Insurance Coverage Provided  
Do Not Use for International Mail

POSTMARK OR DATE  
MIDLAND, TX  
JAN 9 - 11 AM

2. Article Number   7160 3901 9849 7496 7143	<b>COMPLETE THIS SECTION ON DELIVERY</b>	
	A. Received by (Please Print Clearly) <i>K. Mitchell</i>	B. Date of Delivery <i>1/13/05</i>
	C. Signature <i>K. Mitchell</i>	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee
	D. Is delivery address different from item 1? If YES, enter delivery address below:	
3. Service Type <b>CERTIFIED MAIL</b> 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	Reference Information  Osudo 33 State COM #1  Vicky	
1. Article Addressed to:  Oxy USA, Inc. Attn: Mr. Patrick S. Sparks P. O. Box 50250 Midland, Texas 79710		
PS Form 3811, January 2005 Domestic Return Receipt		