



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 22, 2007

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

Administrative Order NSL-5705

**Re: Samson Resources Company
Lea Federal Unit Well No. 21
API No. 30-025-37525
Unit D, Section 12-20S-34E
Lea County**

Dear Mr Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS07-26857957**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Samson Resources Company, on September 25, 2007, and

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

Samson Resources Company (Samson) has requested to complete the above-referenced well as a directional well from the surface location described in the caption of this letter, to an unorthodox completion location in the Bone Spring formation, 874 feet from the North line and 785 feet from the West line (Unit D) of Section 12, Township 20 South, Range 34 East, in Lea County, New Mexico. The W/2 NW/4 of Section 12 will be dedicated to this well in order to form a standard 80-acre oil spacing unit in the Lea Bone Springs 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. The proposed Bone Spring completion location for this well is south of the center of the NW/4 NW/4 of Section 12 by more than 150 feet.

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

It is our understanding that you are seeking this location in order to utilize an existing wellbore originally drilled to test a different formation.

It is also understood that notice of this application to offsetting operators or owners is unnecessary because working interest ownership is identical for the entire NW/4 of Section 12.

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

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

Sincerely,

A handwritten signature in dark ink, appearing to read "Mark E. Fesmire", is written over a horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/db

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