



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

February 5, 2008

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

Administrative Order NSL-5779

Re: Federal 11 Well No. 8
API No. 30-025-38611
Unit D, Section 11-20S-34E
Lea County

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR07-32053871**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Samson Resources Company (Samson) on November 16, 2007, and

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

Samson has requested to drill the above-referenced well at an unorthodox gas well location, 510 feet from the North line and 810 feet from the West line (Unit D) of Section 11, Township 20 South, Range 34 East, N.M.P.M., in Lea County, New Mexico. The NW/4 of Section 11 will be dedicated to this well in order to form a standard 160-acre gas spacing unit in the Lea-Pennsylvanian Gas Pool (80040). Pursuant to Order R-2707, issued on May 25, 1964, and Order R-7830-A, issued on July 3, 1985, this pool is governed by statewide Rule 104, as that rule existed prior to the adoption of Order R-2707, which provided for 160-acre units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the northern unit boundary.

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 comply with United States Bureau of Land Management surface siting requirements.

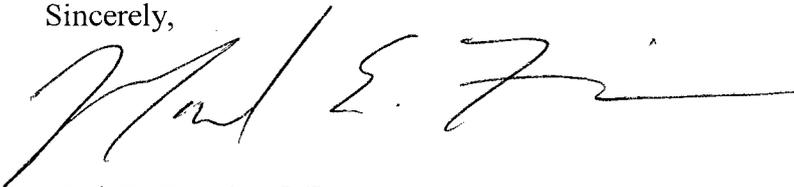
It is also understood that notice of this application to offsetting operators or owners is unnecessary because Samson owns 100% of the working interest in the offsetting unit towards which this location encroaches.

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". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark E. Fesmire, P.E.
Director

MEF/db

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