- ose 1349

June 2, 2005

## VIA FACSIMILE FOLLOWED BY U.S. MAIL

Samson Centennial Tower 200 N. Loraine, Suite 1010 Midland, Texas 79701

Attn:

Elizabeth E. Moses

RE

Proposed Bandit "15" Federal #1 well N/2 Section 15, T20S-R33E Lea County, New Mexico

## Dear Elizabeth:

1. After further evaluation, Edge has decided to participate in the Samson - Bandit "15" Federal #1 well in the N2 of Section 15, T20S-R33E, Eddy County, New Mexico. Attached is the AFE for this well, which has been signed by Edge. We will review the operating agreement, sign and return to you promptly. If you have any questions or need additional information please call me at (713) 427-8843.

> EDGE PETRO LEUM EXPLORATION COMPANY

> > . Sikora, CPL Staff Landman

jsikora@edgepet.com

Sue Ann Craddock, Chisos, Ltd. Larry Risley, Pure Energy Group, Inc. New Mexico Oil Conservation Division 1220 South Street Francis Drive Santa Fe, NM 87505 (Case No. 13491)



## SAMSON AFE

Well Name:	Bandit Federal 15 # 1	Division:	Rocky Mountain
Legal Location:	810' FNL & 660' FEL, Sec. 15, T-20-S, R-33-E	Prospect:	Teas Penn
Proposed TD:	14,000'	County, State:	Lea, New Mexico
Objective:	Drill and Complete a Morrow Gas Well		••

Surfice Demogas & Right of Way   Society   S	CODE	DRY HOLE	
1707-022   Routs & Location   150,000   1707-024   150,000   1707-024   150,000   1707-024   150,000   1707-024   150,000   1707-024   150,000   1707-024   150,000   1707-024   150,000   1707-024   150,000   1707-024   150,000   1707-024   150,000   1707-024   1	CODE	DRY HOLE	
2700-021   Authoria & Cornolator Service   7,000   7	2700-001	Surface Damages & Right of Way	0
120,004   Mobilization   Demobilization   120,005   1276,005   1776,005   1	2700-002	Roads & Location	
2720-005   Dring Dynovich			
1700-007   Chiming Forbidge   1700-007   Chiming Turning   1700-007   Chiming Turning Turning   1700-007   Chiming Turning Turning   1700-007   Chiming Turning Turning   1700-007   Chiming Turning T			
2700-007   Orling Turnley			0
2700-036   Fuel, Varier & Power (ACP)   6,400   7270-0370   7270			. 0
2700-09			141,900
1700-010   Str., Reserver & Stabibitation   110,000   170,001			45,000
2700-011   Directional Equipment & Services   1,2,060   1,2,070-013   1,39979_O-1978   1,			110,000
2700-012			0
2700-213   Logging & Formation Evaluation - Geology   45,000   2700-015   Impsection Services   1955,000   1950,000   1		Rental Equipment	72,060
2700-014   Cemeraling - Egpt, Malerials & Services   14.4,00			0
14.800   2770-015   Inspection Services   14.800   2700-016   3000   2770-017   Supervision & Technical Personnel   45,000   2770-017   Supervision & Technical Personnel   45,000   2700-019   Labor & Supplies   22,000   28,000   2700-019   Labor & Supplies   22,000   2700-019   Labor & Supplies   22,000   2700-019   Labor & Supplies   22,000   2700-019   Labor & Supplies   28,000			
2700-016			
2700-017   Supervision & Technical Personnel   46,000   23,000   2700-019   Labor & Supplies   22,000   2700-019   Labor & Supplies   22,000   2700-020   10 hours are   22,000   2700-022   10 hours are   22,000   2700-023   10 hours   10			30,000
2700-018   Pipe Crews - Equipment & Labor   23,000			45,000
2700-020			23,000
2700-022   Overhead			22,000
2700-022   Plugging & Abendommert   159,00   159,10   1700-035   1000-035			26,222
199,10   1			
12,00			159,103
	2700-035	Location Restoration (Dryhole)	12,000
2700-329	2700-135	Location Restoration (Completion)	0
Protective/Surface Csg:   feet @			0
2800-002 Intermediate Csg: feet			65 250
2800-003 Liner: feet ② \$ per ft 140,40 2800-105 Production 1bg: feet ② \$ per ft 1.5,00 2800-105 Production 1bg: feet ③ \$ per ft 1.5,00 2800-105 Production 1bg: feet ③ \$ per ft 1.5,00 2700-102 Roads & Location			139,500
2800-005   Production Tbg: feet			140,400
COMPLETION   Space	2800-105	Production Tbg: feet @ \$ per ft	0
2700-102	2800-008		15,000
2700-005   Drilling Daywork   33,707   2700-108   Fuel, Water & Power   10,000   2700-009   Mod., Materials & Services (Orilling ACP)   15,000   2700-109   Mod., Materials & Services (Completion)   15,000   2700-109   Bilis, Reamers & Stabilization (Orilling ACP)   2700-101   Bilis, Reamers & Stabilization (Completion)   3,000   2700-101	2700 400		E 000
2700-108   Fue, Water & Power   10,000   2700-109   Mul. Materials & Services (Crilling ACP)   15,000   15,000   16,00			
2700-009   Mud, Materials & Services (Orilling ACP)   15,00   2700-101   Bits, Reamers & Stabilization (Orilling ACP)   2700-102   Bits, Reamers & Stabilization (Orilling ACP)   2700-103   Bits, Reamers & Stabilization (Orilling ACP)   2700-104   Bits, Reamers & Stabilization (Origing ACP)   2700-112   Rental Equipment (Orilling ACP)   2700-112   Rental Equipment (Completion)   20,00   2700-113   Commenting - Egpt, Materials & Services (Orilling ACP)   87,50   2700-114   Cementing - Egpt, Materials & Services (Orilling ACP)   87,50   2700-115   Inspection Services (Completion)   7,00   2700-115   Inspection Services (Completion)   7,00   2700-115   Inspection Services (Completion)   7,00   2700-116   1,00   2700-117   1,00   2700-117   1,00   2700-118   1,00   2700-119   1,00   2700-119   1,00   2700-119   1,00   2700-119   1,00   2700-119   1,00   2700-119   1,00   2700-119   1,00   2700-119   1,00   2700-119   1,00   2700-119   1,00   2700-119   1,00   2700-119   1,00   2700-119   1,00   2700-119   1,00   2700-119   1,00   1,			10,000
2700-010   Bits, Reamers & Stabilization (Orilling ACP)   3,00   2700-012   Rental Equipment (Orilling ACP)   2700-012   Rental Equipment (Orilling ACP)   2700-013   Rental Equipment (Orilling ACP)   2700-014   Cementing - Eqpt, Materials & Services (Orilling ACP)   87,50   2700-014   Cementing - Eqpt, Materials & Services (Orilling ACP)   87,50   2700-015   Inspection Services (Orilling ACP)   5,00   2700-015   Inspection Services (Orilling ACP)   5,00   2700-016   Inspection Services (Orilling ACP)   5,00   2700-016   Inspection Services (Orilling ACP)   5,00   2700-016   Inspection (Orilling ACP)   5,00   2700-016   Irresportation (Orilling ACP)   5,00   2700-017   7,00   2700-017   7,00   2700-017   7,00   2700-017   7,00   2700-017   7,00   2700-017   7,00   2700-017   7,00   2700-017   7,00   2700-017   7,00   2700-018   Pipe Crews - Equipment & Labor (Orilling ACP)   7,00   2700-018   Pipe Crews - Equipment & Labor (Orilling ACP)   7,00   2700-019   1,00   2700			0
2700-110   Bits, Reamers & Stabilization (Completion)   3,00			15,000
2700-012			0
2700-112   Rental Equipment (Completion)   29,00   2700-113   Logging - Production   7,00   2700-104   Cementing - Egpt, Materials & Services (Completion)   7,00   2700-104   Cementing - Egpt, Materials & Services (Completion)   7,00   2700-116   Cementing - Egpt, Materials & Services (Completion)   7,00			3,000
2700-113			20,000
2700-014   Cemerting - Egpt, Materials & Services (Completion)   2700-015   Inspection Services (Completion)   5,000   5,000   1,000			7,000
2700-015		Cementing - Eqpt, Materials & Services (Drilling ACP)	87,500
2700-115   Inspection Services (Completion)		Cementing - Eqpt, Materials & Services (Completion)	0
2700-116			0
2700-116			5,000
2700-017   Supervision & Technical Personnel (Drilling ACP)   12700-117   Supervision & Technical Personnel (Completion)   12,00   12,00   12,00   13,00   14,00   14,00   14,00   14,00   14,00   14,00   14,00   14,00   14,00   14,00   14,00   14,00   14,00   14,00   14,00   14,00   14,00   14,00   14,00   15,00   16,00   1			10,000
2700-117   Supervision & Technical Personnel (Completion)   12,00			1 0,000
2700-118		Supervision & Technical Personnel (Completion)	12,000
2700-019		Pipe Crews - Equipment & Labor (Drilling ACP)	17,000
2700-119			0
2700-120   Insurance   2700-121   Overhead   2,000			10,000
2700-121   Overhead   2,000		- <del> </del>	10,000
2700-123   Completion Rig   12 days at \$2,500.00 per day   30,000		<del></del>	2,000
2700-125   Perforating   2700-126   Acidizing, Fracturing & Sand Control   LIST ZONES:   175,00		**************************************	30,000
2700-127       Wireline Services – not including perforating       5,00         2700-128       Miscellaneous & Contingency       44,00         2700-329       Legal & Regulatory       3         2800-003       Liner:       2800-000         2800-004       Prod Csg:       238,00         2800-105       Production Tbg:       42,77         2800-008       Wellhead Equipment       50,00         2800-109       Surface Equipment       50,00         2800-110       Subsurface Equipment       12,00         2800-111       Artificial Lift Equipment       2800-111         2800-116       Pipeline & Meter Facilities       20,00		Perforating	8,000
2700-128   Miscellaneous & Contingency   44,00			175,000
2700-329       Legal & Regulatory       3         2800-003       Liner:       2800-004         2800-104       Prod Csg:       238,00         2800-105       Production Tbg:       42,77         2800-008       Wellhead Equipment       50,00         2800-109       Surface Equipment       50,00         2800-110       Subsurface Equipment       12,00         2800-111       Artificial Lift Equipment       2800-116         2800-116       Pipeline & Meter Facilities       20,00			5,000
2800-003       Liner:         2800-004       Prod Csg:       238,00         2800-105       Production Tbg:       42,77         2800-008       Wellhead Equipment       45,00         2800-109       Surface Equipment       50,00         2800-110       Subsurface Equipment       12,00         2800-111       Artificial Lift Equipment       2800-116         Pipeline & Meter Facilities       20,00			\$0
2800-004       Prod Csg:       238,00         2800-105       Production Tbg:       42,77         2800-008       Wellhead Equipment       45,00         2800-109       Surface Equipment       50,00         2800-110       Subsurface Equipment       12,00         2800-111       Artificial Lift Equipment       2800-11         2800-116       Pipeline & Meter Facilities       20,00			0
2800-105       Production Tbg:       42,77         2800-008       Wellhead Equipment       45,00         2800-109       Surface Equipment       50,00         2800-110       Subsurface Equipment       12,00         2800-111       Artificial Lift Equipment       2800-111         2800-116       Pipeline & Meter Facilities       20,00	2800-004	Prod Csg:	238,000
2800-109         Surface Equipment         50,00           2800-110         Subsurface Equipment         12,00           2800-111         Artificial Lift Equipment         2800-116           2800-116         Pipeline & Meter Facilities         20,00			42,720
2800-110         Subsurface Equipment         12,00           2800-111         Artificial Lift Equipment         2800-116           Pipeline & Meter Facilities         20,00			45,000
2800-111 Artificial Lift Equipment 2800-116 Pipeline & Meter Facilities 20,00		Subsurface Equipment	50,000
2800-116 Pipeline & Meter Facilities 20,00			12,000
			20,000
TOTAL COST \$3,068,60	-		
	L	TOTAL COST	\$3,068,605

	TOTAL DHC TOTAL CMPL COST	\$2,161,685 \$906,920
APPROVAL SIGNATURE 2.		
COMPANY Samon		1/Klin
DATE 4/29/05		
Approval Signature	Jaj el	FOK MAC
Company Edge Petroleum Explora	taon Company	
Date 6205		
1		