

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

342

5. Lease Serial No.
NM-12413

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No. 34611
Mongoose 25 Fed. Com., No. 19. API Well No.
30-025-3708710. Field and Pool, or Exploratory
Lusk, Morrow, East (GAS)11. Sec., T., R., M., or Blk. and Survey or Area
Sec. 25-T19S-R32E1a. Type of Work: ☒ DRILL☐ REENTER

SECRETARY'S POTASH

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other☐ Single Zone ☐ Multiple Zone

2. Name of Operator

Samson Resources

3a. Address

Samson Plaza—Two W. 2nd St. Tulsa, OK 74103

3b. Phone No. (include area code)

(918) 591-1822

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface 660' FNL & 660' FWL

At proposed prod. zone same

POTASH

Secretary's Potash

14. Distance in miles and direction from nearest town or post office*

4.1 miles northeast of Carlsbad, NM

Canadian Controlled Water Basin

12. County or Parish

Lea

13. State

NM

15. Distance from proposed*

location to nearest
property or lease line, ft.

660'

(Also to nearest drig. unit line, if any)

16. No. of Acres in lease

480

17. Spacing Unit dedicated to this well

320

18. Distance from proposed location*

to nearest well, drilling, completed,
applied for, on this lease, ft.

5,400'

19. Proposed Depth

13,900'

20. BLM/BIA Bond No. on file

NM-2037

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

3,593' GL

22. Approximate date work will start*

January 3, 2005

23. Estimated duration

5 weeks

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO shall be filed with the appropriate Forest Service Office).4. Bond to cover the operations unless covered by an existing bond on file (see
Item 20 above).

5. Operator certification.

6. Such other site specific information and/or plans as may be required by the
authorized officer.

25. Signature

George R. Smith

Name (Printed/Typed)

George R. Smith

Date

12/15/04

Title

Agent for Samson Resources

Approved by (Signature)

/s/ Linda S. C. Rundell

Name (Printed/Typed)

/s/ Linda S. C. Rundell

Date

FEB 08 2005

Title

STATE DIRECTOR

Office

NM STATE OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

Lease Responsibility Statement: Samson Resources Co. accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

George R. Smith, agent

DISTRICT I
1625 N. FRENCH DR., ROSBIS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-37087	Pool Code 80770	Pool Name Lusk, Morrow East (GAS)
Property Code 34611	Property Name MONGOOSE 25 FEDERAL COM.	Well Number 1
OGRID No. 20165	Operator Name SAMSON RESOURCES	Elevation 3593'

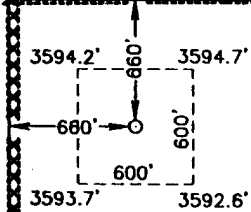
Surface Location

UL or lot No. D	Section 25	Township 19-S	Range 32-E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 660	East/West line WEST	County LEA
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code Com.	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=595852.8 N X=687073.3 E</p> <p>LAT.=32°38'11.87" N LONG.=103°43'32.26" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>George R. Smith</i> Signature George R. Smith, agent Printed Name for: Samson Resources Title 12/15/04 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NOVEMBER 30, 2004</p> <p>Date Surveyed Signature & Seal of Professional Surveyor Professional Surveyor 12/07/04 04:11.1554 Certificate No. GARY EIDSON 12841</p>
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APPLICATION FOR DRILLING

SAMSON RESOURCES

Mongoose 25 Federal Com., Well No. 1
660' FNL & 660' FWL, Sec. 25-T19S-R32E
Lea County, New Mexico
Lease No.: NM-12413
(Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Samson Resources. submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Rustler	1,105'	Wolfcamp	10,880'
Base of Salt	2,702'	Strawn	12,170'
Yates	2,902'	Atoka	12,390'
Capitan	3,321'	Morrow	13,290'
Delaware	5,000'	Lower Morrow	13,600'
Bone Spring	7,691'	T.D.	13,900'
2 nd BS Sand	9,440'		
3 rd BS Sand	10,400'		

3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Surface water between 100' - 300'.

Oil: Possible in the Delaware below 5,000'

Gas: Possible in Atoka below 12,390 and the Morrow below 13,290'.

4. Proposed Casing Program:

HOLE SIZE	CASING SIZE	WEIGHT	GRADE	JOINT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13-3/8"	54.5#	J-55	BTC	0" - 1,150'	Circ. 580 sx. HLP & 340 SX Prem. Plus.
12 1/4"	9 5/8"	40.0#	N-80	LTC	0' - 4,800'	Circ. Two Stage: 275 sx Interfill
"C" & 750 sx Prem Plus (stage one) followed by 550 sx Interfill "C" & 30 sx Prem. Plus (DVT @ 3000') to surface.						
8 3/4"	5 1/2"	20.0#	P110	LTC	0' - 13,900'	1315 sx Zoneseal & 1125 sx Super H, TOC 4,600'

5. Minimum Specifications for Pressure Control Equipment:

NU 13 3/8" 10,000 psi WP double over single w/ 13 5/8" 5M Hydril annular preventer before drilling 12 1/4" and 8 3/4" holes. Will perform 3M test before drilling 12 1/4" hole and a 5M test before drilling the 8 3/4" hole as per Onshore Oil & Gas Order #2.

6. MUD PROGRAM:

		MUD WEIGHT	VIS.	W/L CONTROL
0' - 1,150':	FW native mud:	8.8 - 9.2 ppg	28 - 29	No W/L control
1,150' - 4,800':	Brine:	10.0 - 10.4 ppg	26 - 29	No W/L control *
4,800' - 13,300':	Cut brine:	9.8 - 10.0 ppg	26 - 29	No W/L control
13,300' - 13,900':	Cut brine/XCD Polymer	10.5 - 11.5 ppg	29 - 42	W/L control <10cc +/-

* NOTE: If circulation is lost in the Capitan Reef, will switch to fresh water mud.

7. Auxiliary Equipment: Blowout Preventer, flow sensors and stabbing valve.

SAMSON RESOURCES

Mongoose 25 Federal Com., Well No. 1

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8. Testing, Logging, and Coring Program:

Drill Stem Tests: None unless conditions warrant.

Logging: 5,000' to T.D.: CNL-DNL w/GR-Cal.

5,000' to Surface: CNL-GR

Coring: Rotary sidewall if dictated by logs.

9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight. Estimated evacuated BHP = 6116 psi and surface pressure of 3058 psi with a temperature of 199°.

10. H₂S: None expected. None in existing wells in close vicinity, but the Mud Log Unit will be cautioned to use a gas trap to detect H₂S and if any is detected the mud weight will be increased along with H₂S inhibitors sufficient to control the gas.

11. Anticipated starting date: January 3, 2005

Anticipated completion of drilling operations: Approximately 4 – 5 weeks.

MULTI POINT SURFACE USE AND OPERATIONS PLAN

SAMSON RESOURCES

Mongoose 25 Federal Com., Well No.1
660' FNL & 660' FWL, Sec. 25-R19S-R32E
Lea County, New Mexico
Lease No.: NM-12413
(Development Well)

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, to be followed in rehabilitating the surface environmental effects associated with the operations.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a USGS/BLM Topo map showing the location of the proposed well as staked. The well site location is approximately 41 road miles northeast of Carlsbad, New Mexico. Traveling east from Carlsbad there will be approximately 35 miles of paved highway and 5.6 miles of gravel ranch/oilfield roads.
- B. Directions: Travel east from Carlsbad, NM on U.S. Highway 62/180 for approximately 25 miles to NM Highway #246. Turn northeast on NM #243 for 4 miles to CR#126, Maljamar Rd. Turn north on CR#126 for 6 miles to the Duke Refinery/compressor station. Turn east onto a good gravel road for 2.3 miles and cross a cattleguard. Turn south after crossing the cattleguard and continue south for 1.4 miles to a road on the left. Take this road east for 1.9 miles to an EOG well, the Lusk 23 Federal, Well No. 2 on the left. Continue for .1 mile the start of the proposed access road on the left. The start of the proposed access road at this point is on the east side of the road and will run east for 867' to the southwest corner of the pad.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The proposed access road will be approximately 867 feet in length and 12 foot in width. The proposed access road is color coded red on Exhibit "A".
- B. Construction: The proposed access road will be constructed by grading and topping with compacted caliche and will be properly drained.
- C. Turnouts: None required
- D. Culverts: None required.
- E. Cuts and Fills: None required except the leveling of small dunes and deflation basins.
- F. Gates, Cattle guards: None required.
- G. Off Lease R/W: An off lease ROW is being submitted. A category determination has been requested.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a two-mile radius are shown on Exhibit "C".

SAMSON RESOURCES

Mongoose 25 Federal Com., Well No.1

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4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. Samson Resources has no production facilities on the lease at this time.
- B. If the well proves to be commercial, the necessary production facilities, gas production-process equipment and tank battery, if required, will be installed on the drilling pad.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with fresh water that will be obtained from private or commercial sources and will be transported over the existing and proposed access roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche for the access road and well site pad will be obtained on location, if available, or an approved Federal pit in the NESE Sec. 15-T19S-R32E. No surface materials will be disturbed except those necessary for actual grading and construction of the drill site and access road.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. All pits will be fenced with normal fencing materials to prevent livestock and wildlife from entering the area.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to the BLM for approval.
- E. Oil produced during operations will be stored in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. Trash, waste paper, garbage and junk will be contained in trash bins to prevent scattering and will be removed for deposit in an approved sanitary landfill within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELL SITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, reserve pits, and major rig components.
- B. Mat Size: 340' X 225', plus 175' x 175' mud pits on the north.
- C. Cut & Fill: There will be a 1-foot cut on the west with fill to the east.
- D. The surface will be topped with compacted caliche and the mud pits will be plastic lined.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other material not required for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in an aesthetically pleasing a condition as possible
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled as soon as they are dry enough to work after abandonment.

11. OTHER INFORMATION:

- A. Topography: The proposed well site and access road is located in the southern part of the Querecho Plains. The location overall area is quite level, however there are hummocky 2 – 3 foot sand dunes and basins with very slight .4% slope to the southwest from the location elevation of 3593'.
- B. Soil: The topsoil on the well site and access road is light brown colored fine sand. The soil is of the Kermit soils and Dune land soils series.
- C. Flora and Fauna: The vegetation at the well site is a sparse to fair grass cover of threeawn, dropseed , burrograss, bluestem and other miscellaneous native grasses along with plants of mesquite, yucca, sage, broomweed, cacti, shinnery oak brush and miscellaneous weeds and wildflowers. The wildlife consists of rabbits, coyotes, antelope, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: None in close vicinity however it is approximately 2.5 miles northeast of Laguna Plata.
- E. Residences and Other Structures: None, but existing oil field facilities.
- F. Land Use: Cattle grazing.
- G. Surface Ownership: The proposed well site and access road are on Federal surface.
- H. There is no evidence of archaeological, historical or cultural sites in the area. Archaeological Survey Consultants, P.O. Box 2285, Roswell, NM 88202 are conducting an archaeological survey and their report will be submitted to the appropriate government agencies.

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- G. Surface Ownership: The proposed well site and access road are on Federal surface.
- H. There is no evidence of archaeological, historical or cultural sites in the area. Archaeological Survey Consultants, P.O. Box 2285, Roswell, NM 88202 are conducting an archaeological survey and their report will be submitted to the appropriate government agencies.

12. OPERATOR'S REPRESENTATIVE:

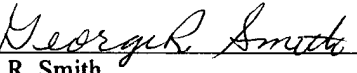
- A. The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

Todd Wiley
Samson Resources
Samson Plaza-Two West Second St.
Tulsa, OK 74103-3103
Office Phone: (918) 591-1531

13. CERTIFICATION:

I hereby certify that I have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Samson Resources and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

December 15, 2004



George R. Smith
Agent for: Samson Resources

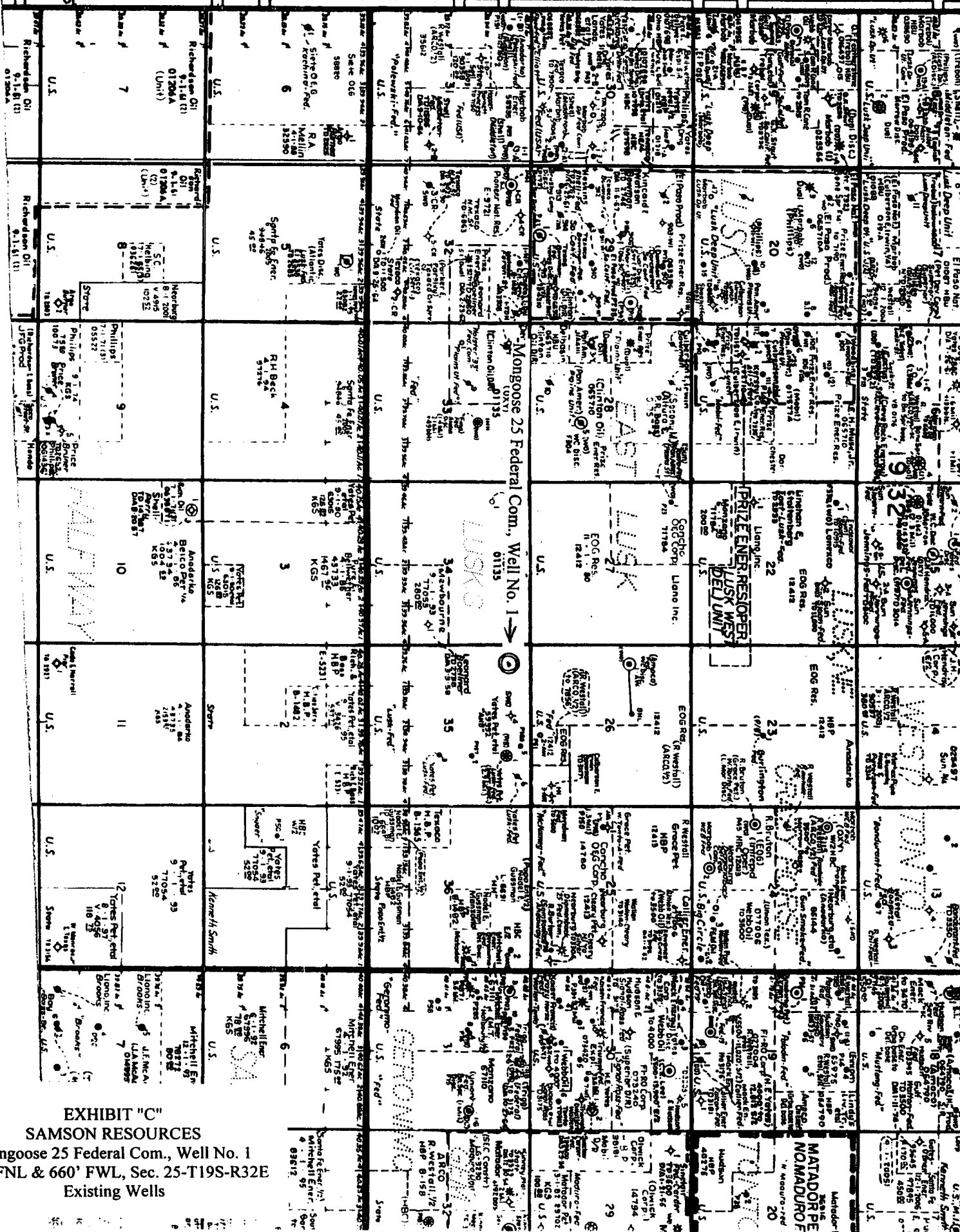


EXHIBIT "C"

SAMSON RESOURCES

Mongoose 25 Federal Com., Well No. 1
660' FNL & 660' FWL, Sec. 25-T19S-R32E
Existing Wells

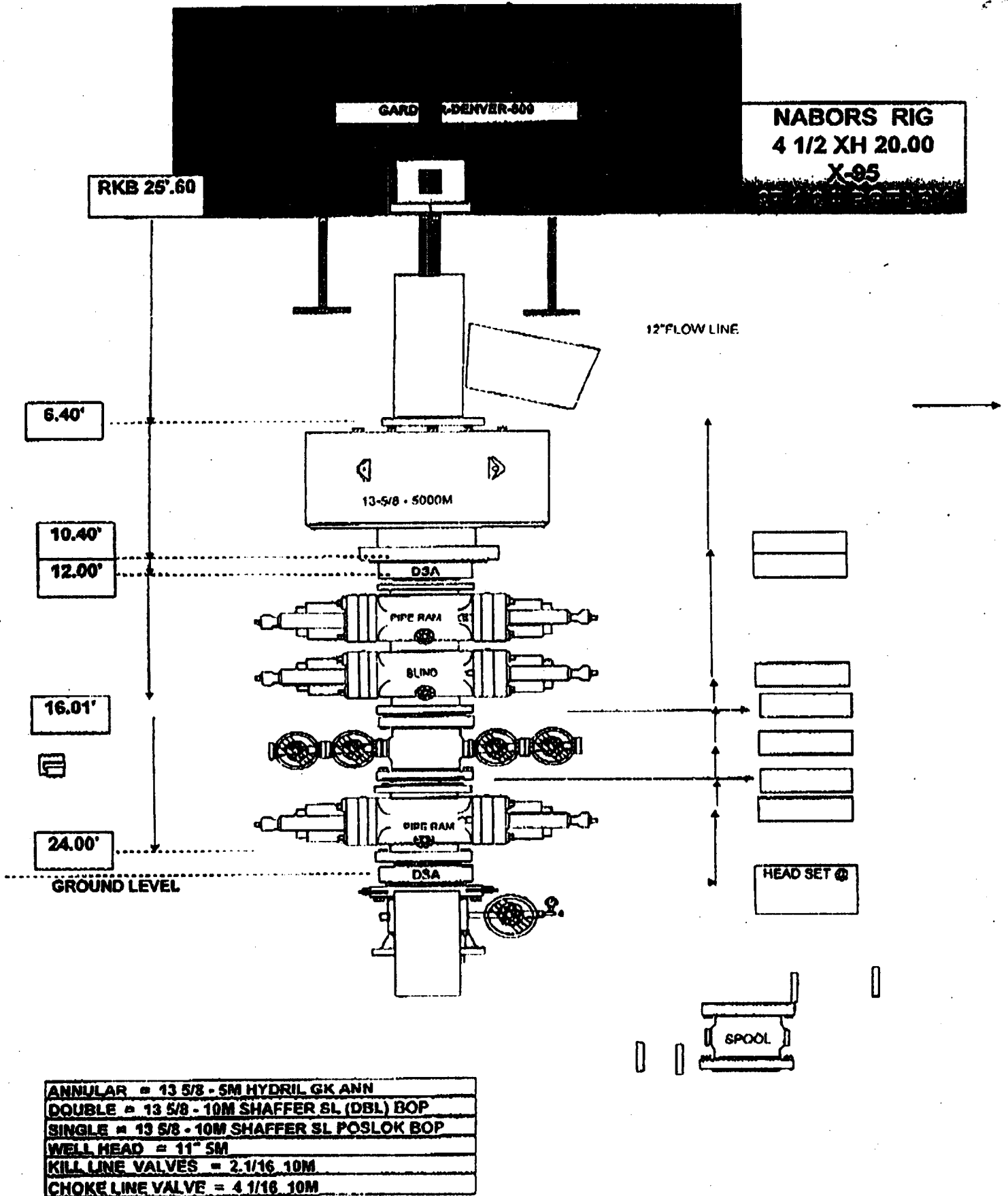


EXHIBIT "E"
SAMSON RESOURCES
 Mongoose 25 Federal Com., Well No. 1
 BOP Specifications

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Samson Resources Telephone: (918) 591-1531 e-mail address:

Address: Samson Plaza Two W. Second St. Tulsa, OK 74103

Facility or well name: Mongoose 25 Federal Com., Well 1 30.025-32087 U/L or Qtr/Qtr NW4NE4 Sec 25 T 19S R32E

County: Lea Latitude 32°38'11.87" N Longitude 103°43'32.26" W NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume 10,000 bbl

Below-grade tank

Volume: bbl Type of fluid:

Construction material:

Double-walled, with leak detection? Yes ☐ If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

(0 points)

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

(0 points)

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

(0 points)

Ranking Score (Total Points)

-0-

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility (3) Attach a general description of remedial action taken including remediation start date and

end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: December 15, 2004

Printed Name/Title George R. Smith, agent Signature

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date FEB 11 2005

PETROLEUM ENGINEER

Printed Name/Title

Signature