

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED I-06-04
OMB No. 1004-0136
Expires November 30, 2000

5. Lease Serial No.
NM-02127 B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.
Lea Federal Unit, Well No. 24

8. Lease Name and Well No. 34342

9. API Well No.
30-025-38212

10. Field and Pool, or Exploratory
Lea Bone Spring

11. Sec., T., R., M., or Blk. and Survey or Area
Sec. 12-T20S-R34E

12. County or Parish
Lea

13. State
NM

1a. Type of Work: ☒ DRILL ☐ REENTER

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' FSL & 990' FWL

At proposed prod. zone same

Unit M

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

50 miles northeast of Carlsbad, NM

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

660'

16. No. of Acres in lease

480

17. Spacing Unit dedicated to this well

80x80

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

990'

19. Proposed Depth

20. BLM/BIA Bond No. on file
NM-203723

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

3654' GL

22. Approximate date work will start*

9/25/06

23. Estimated duration

5 weeks

24. Attachments

Capitan Controlled Water Basin

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

5/31/06

Title

Agent for Samson Resources

Approved by (Signature)

/s/ Tony J. Herrell

Name (Printed/Typed)

/s/ Tony J. Herrell

Date

JUL 07 2008

Title

FIELD MANAGER

Office

CARLSBAD FIELD 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.

George R. Smith, agent

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Samson Resources

(918) 591-1822

3. Address and Telephone No.

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

724 FSL & 510 FWL Section 12, T-20-S, R-34-E, Lea County, NM

5. Lease Designation and Serial No.
NM-02127B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Lea Federal Unit #24

9. API Well No.

30-025-38212

10. Field and Pool, or Exploratory Area

Lea Bone Spring

11. County or Parish, State

Lea County, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

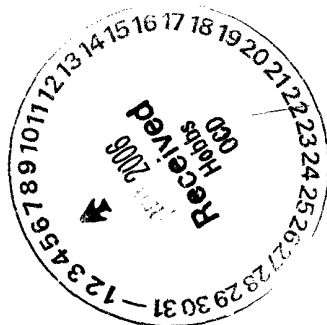
TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Change Location
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Samson Resources has changed the location for the Lea Federal #24 well from the original location at 660' FSL & 990' FWL to a new location at 724' FSL & 510' FWL due to surface restrictions. Attached is the new plat. An archaeological survey for the new location will be submitted under separate cover. The new location will remain in unit letter M.



14. I hereby certify that the foregoing is true and correct

Signed

Title

Agent

Date

12-1-06

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-38212	Pool Code 37570	Pool Name Lea Bone Spring
Property Code 34342	Property Name LEA FEDERAL UNIT	Well Number 24
OGRID No. 20165	Operator Name SAMSON RESOURCES	Elevation 3651'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	20-S	34-E		724	SOUTH	510	WEST	LEA

Bottom Hole Location If Different From Surface

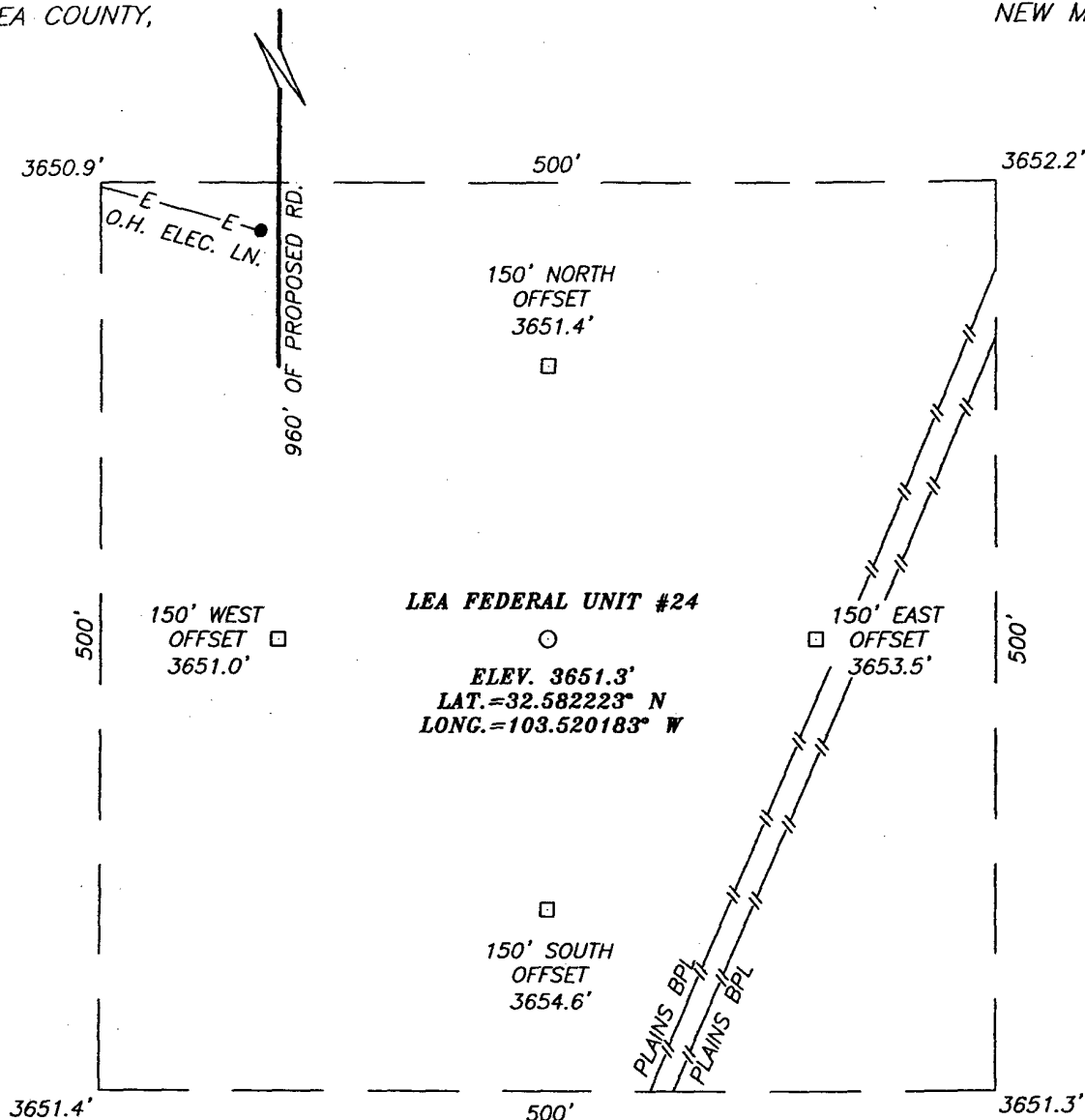
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 80	Joint or Infill	Consolidation Code	Order No.
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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

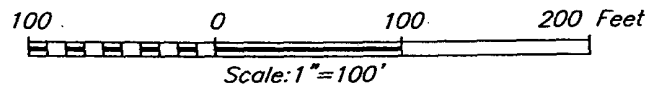
	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=576481.6 N X=750470.2 E</p> <p>LAT.=32°34'56.00" N LONG.=103°31'12.66" W</p> <p>LAT.=32.582223° N LONG.=103.520183° W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Kenneth C. Dickerson</i> Signature Date 12-1-06</p> <p>Kenneth C. Dickerson Printed Name</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>JULY 24, 2006</p> <p>Date Surveyed Signature <i>Gary E. Edson</i> Professional Surveyor</p> <p>GARY E. EDSON NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 06.11.1235</p> <p>Certificate No. GARY E. EDSON 12641 RONALD E. EDSON 3239</p>	
	<p>MR</p>	
	<p>12641</p>	

SECTION 12, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. 62-180 AND CO. RD. H-27 (MARATHON RD.), GO SOUTH ON CO. RD. H-27 FOR APPROX. 3.7 MILES. TURN RIGHT AND GO WEST APPROX. 0.2 MILE TO A PROPOSED ROAD SURVEY. FOLLOW ROAD SURVEY APPROX. 960 FEET SOUTH TO NORTHWEST TO THIS LOCATION.



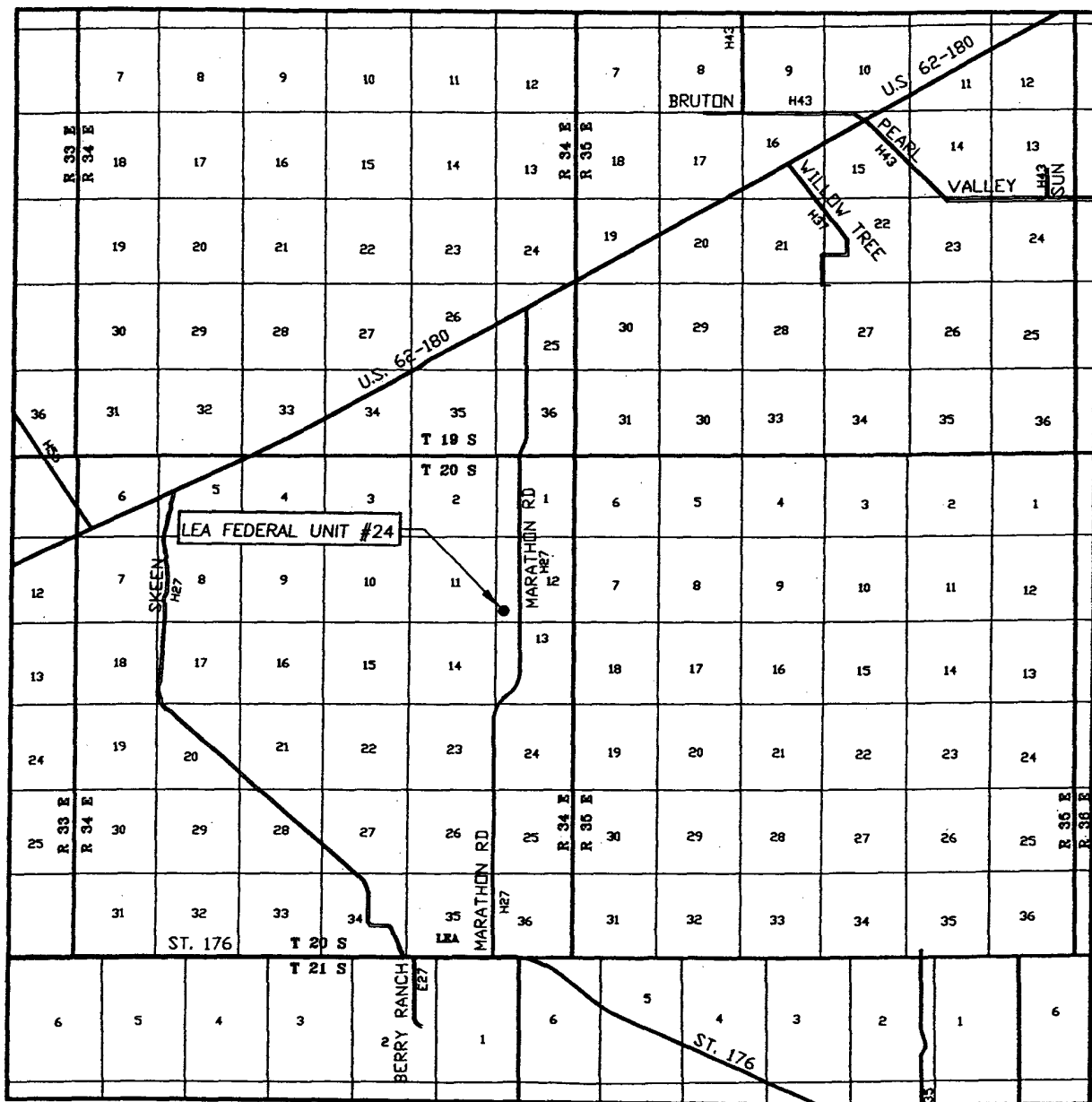
SAMSON RESOURCES

LEA FEDERAL UNIT #24
 LOCATED 724 FEET FROM THE SOUTH LINE
 AND 510 FEET FROM THE WEST LINE OF SECTION 12,
 TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 07/24/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.1235	Dr By: M.R.
Date: 07/31/06	Disk: CD#6
06111235	Scale: 1"=100'

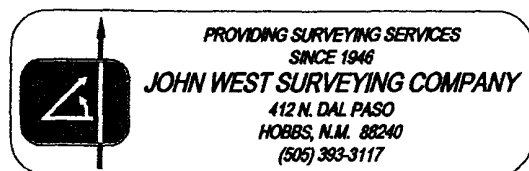
PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

VICINITY MAP

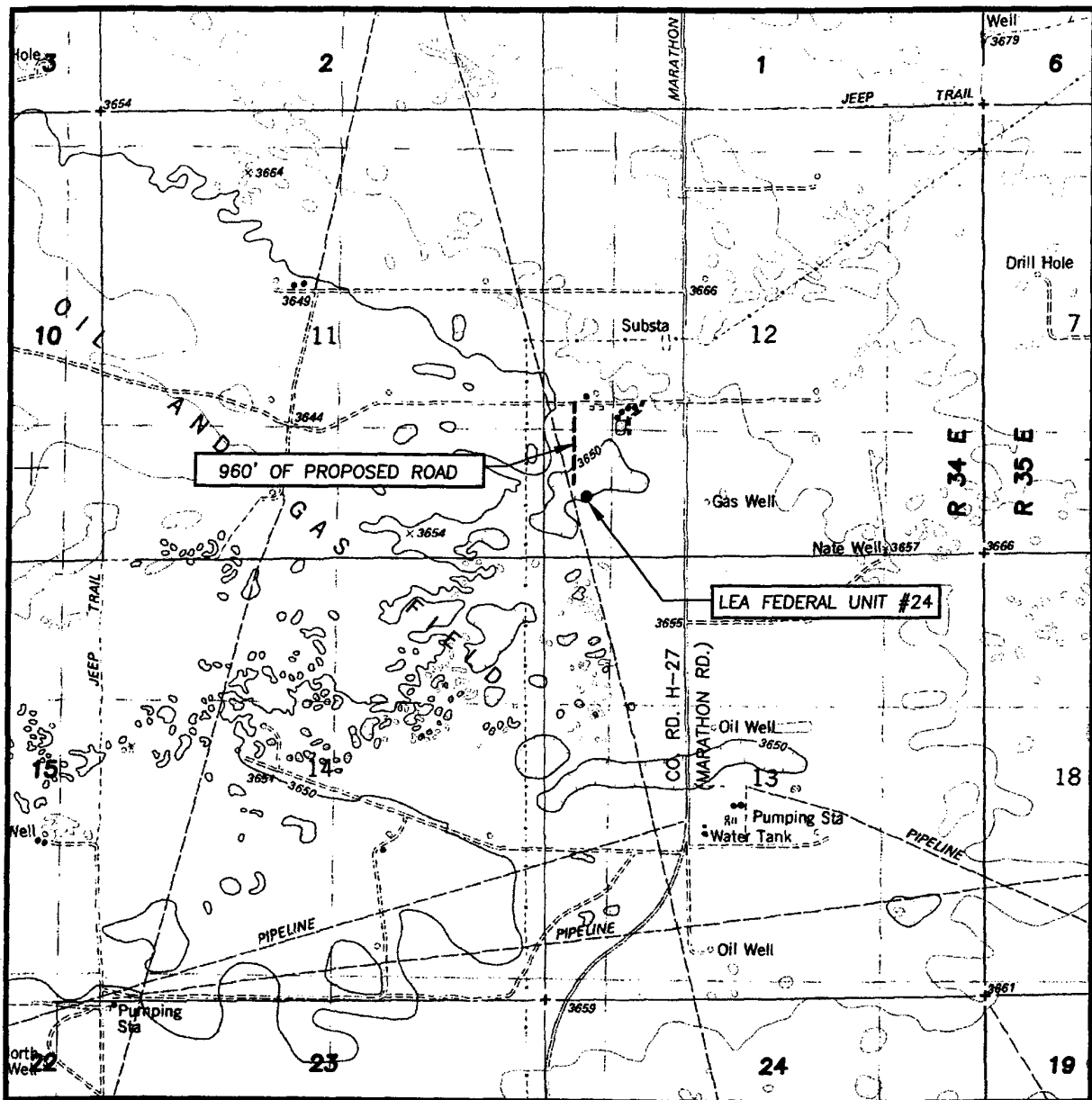


SCALE: 1" = 2 MILES

SEC. 12 TWP. 20-S RGE. 34-E
 SURVEY N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 724' FSL & 510' FWL
 ELEVATION 3651'
 OPERATOR SAMSON RESOURCES
 LEASE LEA FEDERAL UNIT



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
LEA, N.M. - 10'

SEC. 12 TWP. 20-S RGE. 34-E

SURVEY _____ N.M.P.M.

COUNTY LEA STATE NEW MEXICO

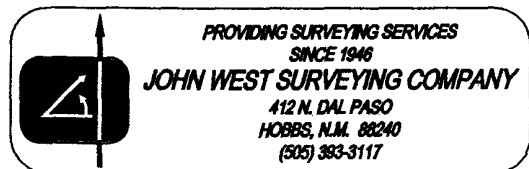
DESCRIPTION 724' FSL & 510' FWL

ELEVATION 3651'

OPERATOR SAMSON RESOURCES

LEASE LEA FEDERAL UNIT

U.S.G.S. TOPOGRAPHIC MAP
LEA, N.M.



APPLICATION FOR DRILLING

SAMSON RESOURCES
Lea Federal Unit, Well No. 24
660' FSL & 990' FWL, Sec. 12-T20S-R34E
Lea County, New Mexico
Lease No.: NM-02127B
(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	1,600'	Delaware	5,600'
Top of Salt	1,655'	Bone Spring	8,200'
Base of salt	3,150'	1 st Bone Spring	9,500'
Yates	3,500'	Bone Spring Dolomite	9,600'
Capitan Reef	3,900'	T.D.	10,600'
Queen	4,665'		

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 5600' - 6000' and Bone Spring below 8200'.
Gas: Possible in Bone Spring below 8200'.

4. Proposed Casing Program:

HOLE SIZE	CASING SIZE	WEIGHT	GRADE	JOINT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	13 3/8"	54.5#	J-55	BT&C	0' - 1,650'	Circ. 1350 sx. "C" to surface
12 1/4"	9 5/8"	40.0#	N-80	BT&C	0' - 5,500'	Circ. 2000 sx "C"
8 3/4"	5 1/2"	17.0#	P110	LT&C	0' - 10,600'	1000 sx "C" TOC 5300'

5. Minimum Specifications for Pressure Control Equipment:

A NU 13 5/8" 10M Double Gate BOP over single w/13 5/8" 5M Hydril annular preventer will be installed on the 13 3/8" before drilling 12 1/4" and 8 3/4" holes and operated as a 5000 psi system. Will perform a 3M test on the casing and BOP before drilling 12 1/4" hole and a 5M test before drilling the 8 3/4" hole.

6. MUD PROGRAM:	MUD WEIGHT	VIS.	W/L CONTROL
0' - 1,650': Fresh water mud:	8.4 - 9.2 ppg	28 - 29	No W/L control
1,695' - 5,500': Brine mud:	10.0 ppg	26 - 29	No W/L control
Will switch to fresh water if lost circulation encountered.			
5,500' - 10,600': Cut brine:	9.8 - 10.0 ppg	26 - 29	No W/L control

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

SAMSON RESOURCES

Lea Federal Unit, Well No. 24

Page 2

8. Testing, Logging, and Coring Program:

Drill Stem Tests: None unless conditions warrant.

Logging: 5,500' to T.D.: CNL-DNL w/GR-Cal.

5,500' 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 = 4664 psi and surface pressure of 2332 psi with a temperature of 166°.

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: September 25, 2006.

Anticipated completion of drilling operations: Approximately 6 weeks.

MULTI POINT SURFACE USE AND OPERATIONS PLAN

SAMSON RESOURCES
Lea Federal Unit, Well No. 24
660' FSL & 990' FWL, Sec. 12-R20S-R34E
Lea County, New Mexico
Lease No.: NM-02127
(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 50 road miles northeast of Carlsbad, New Mexico. Traveling east from Carlsbad there will be approximately 49.3 miles of paved highway and .4 mile of gravel ranch/oilfield road.
- B. Directions: Travel east from Carlsbad, NM on U.S. Highway 62/180 for approximately 46 miles to Marathon Road. Turn south on Marathon Road for 3.5 miles. Turn west toward Brothers central tank battery, crossing a cattle guard, and continue west for .1 mile. Turn south at the tank battery for approximately 300 feet to the start of the proposed access road. The proposed access road will start on the east (left) side of the road and will run southeast for 662 feet to the northeast corner of the proposed well site.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The proposed access road is approximately 662 feet in length and 12 foot in width. The access roads are color coded in 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.
- F. Gates, Cattle guards: None required.
- G. Off Lease R/W: None required.

3. LOCATION OF EXISTING WELLS:

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

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES;

- A. Samson Resources has production facilities in the unit at this time.
- B. If the well proves to be commercial, the necessary production facilities, gas production-process equipment, and tank battery 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 from an approved private pit located in the NE4SE4 of Sec. 35-T20S-R34E. 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. The pad and pit area has been staked and flagged 500' X 500'.
- B. Mat Size: 400' X 250', plus 150' X 150' mud pits. The pits will be on the north/northeast.
- B. Cut & Fill: A 1 foot cut on the east with fill to the center with leveling small 3-4 foot dunes on the balance of the pad..
- 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 an area of small hummocky dunes and deflation basins, which is part of the Querecho Plains. The location has an overall southwest slope of .4% from an elevation of 3654'.
- B. Soil: The topsoil on the well site and access road is light brown colored fine sand. The soil is of the Wink Fine Sands soils series.
- C. Flora and Fauna: The vegetation at the well site is a sparse to fair grass cover of three-awn, dropseed, bluestem, muhly and other miscellaneous native grasses along with plants of mesquite, yucca, sage, shinny oak brush, broomweed, cacti, and miscellaneous weeds and wildflowers. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: None.
- E. Residences and Other Structures: None, but existing oil field facilities, including a central tank battery..
- F. Land Use: Cattle grazing.
- G. Surface Ownership: The proposed well site and access road are on Fee surface of Ken Smith, Inc., 267 Smith Ranch Road, Hobbs, NM 88240 and phone No. (505) 887-8936. A landowner agreement will be made to compensate the surface owner for surface damages prior to starting operations.
- H. There is no evidence of archaeological, historical or cultural sites in the staked area. Southern New Mexico Archaeological Services, Inc., P.O. Box 1, Bent, NM 88314 is 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.

May 31 2006


George R. Smith
Agent for: Samson Resources

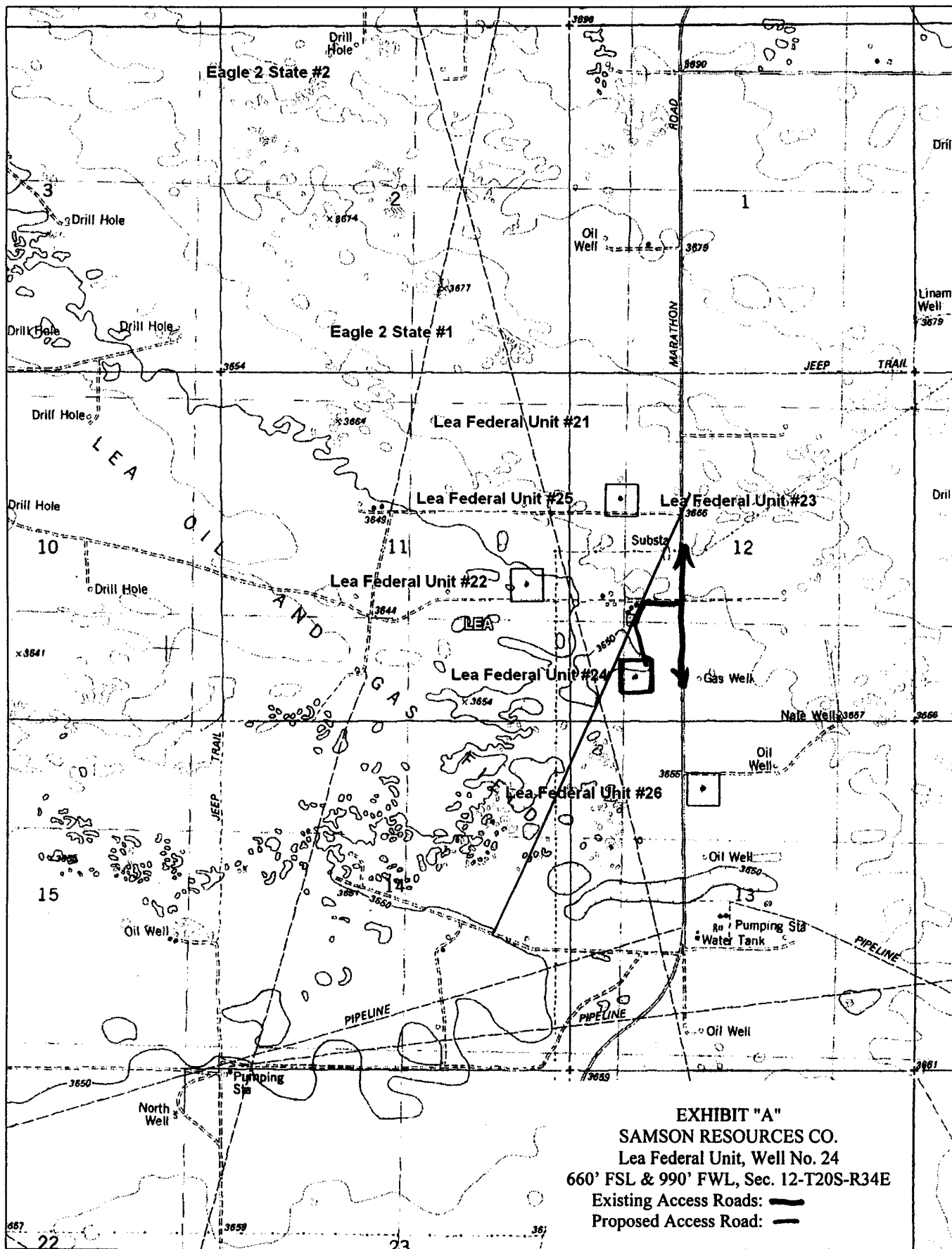
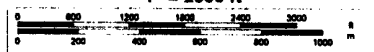


EXHIBIT "A"
SAMSON RESOURCES CO.
 Lea Federal Unit, Well No. 24
 660' FSL & 990' FWL, Sec. 12-T20S-R34E
 Existing Access Roads: —
 Proposed Access Road: —

DELORME

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 www.delorme.com

Scale 1 : 24,000
 1" = 2000 ft



TN
 MN
 S.S.E

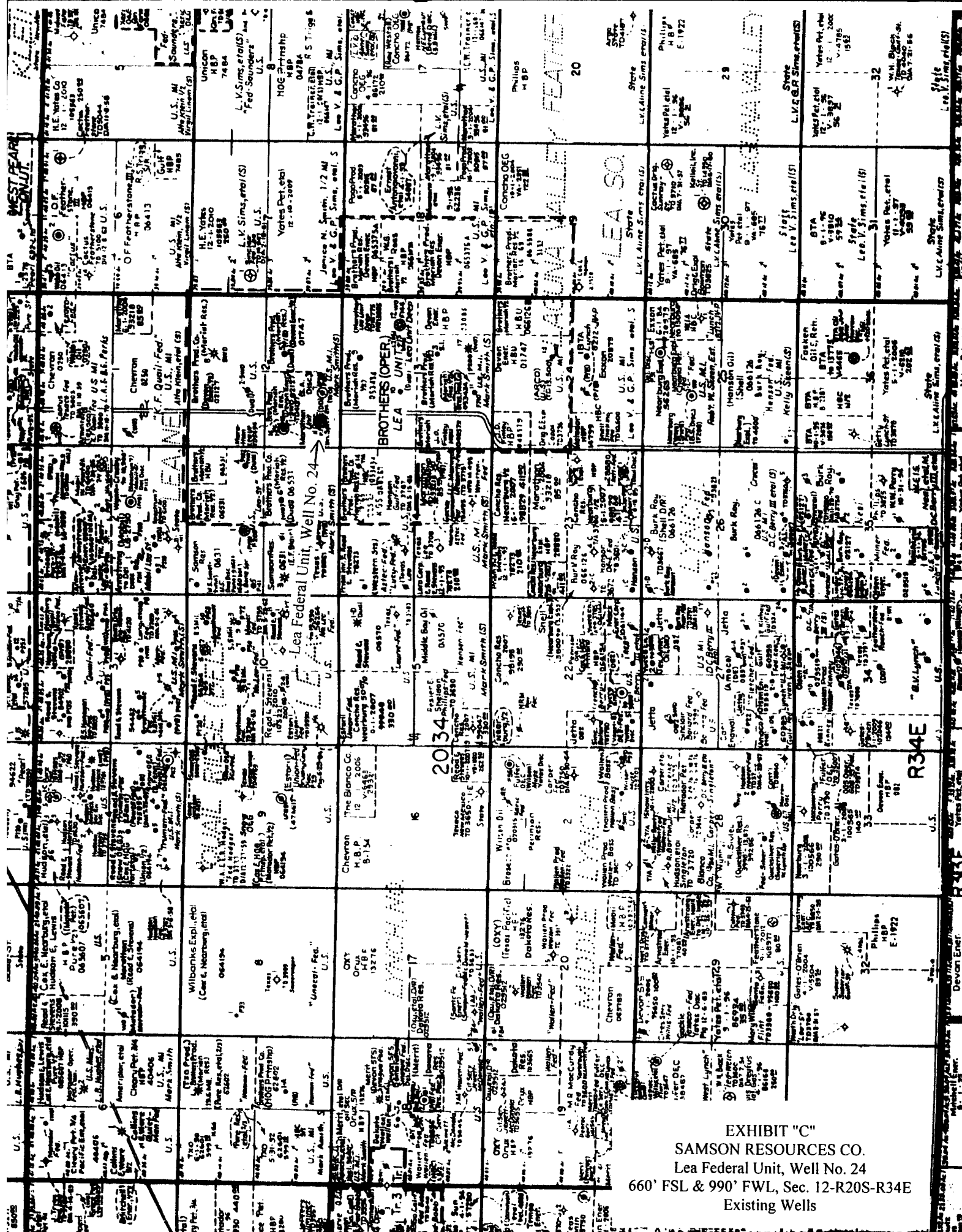


EXHIBIT "C"
SAMSON RESOURCES CO.
Lea Federal Unit, Well No. 24
660' FSL & 990' FWL, Sec. 12-R20S-R34E
Existing Wells



RIG 480

ACCESS
Road

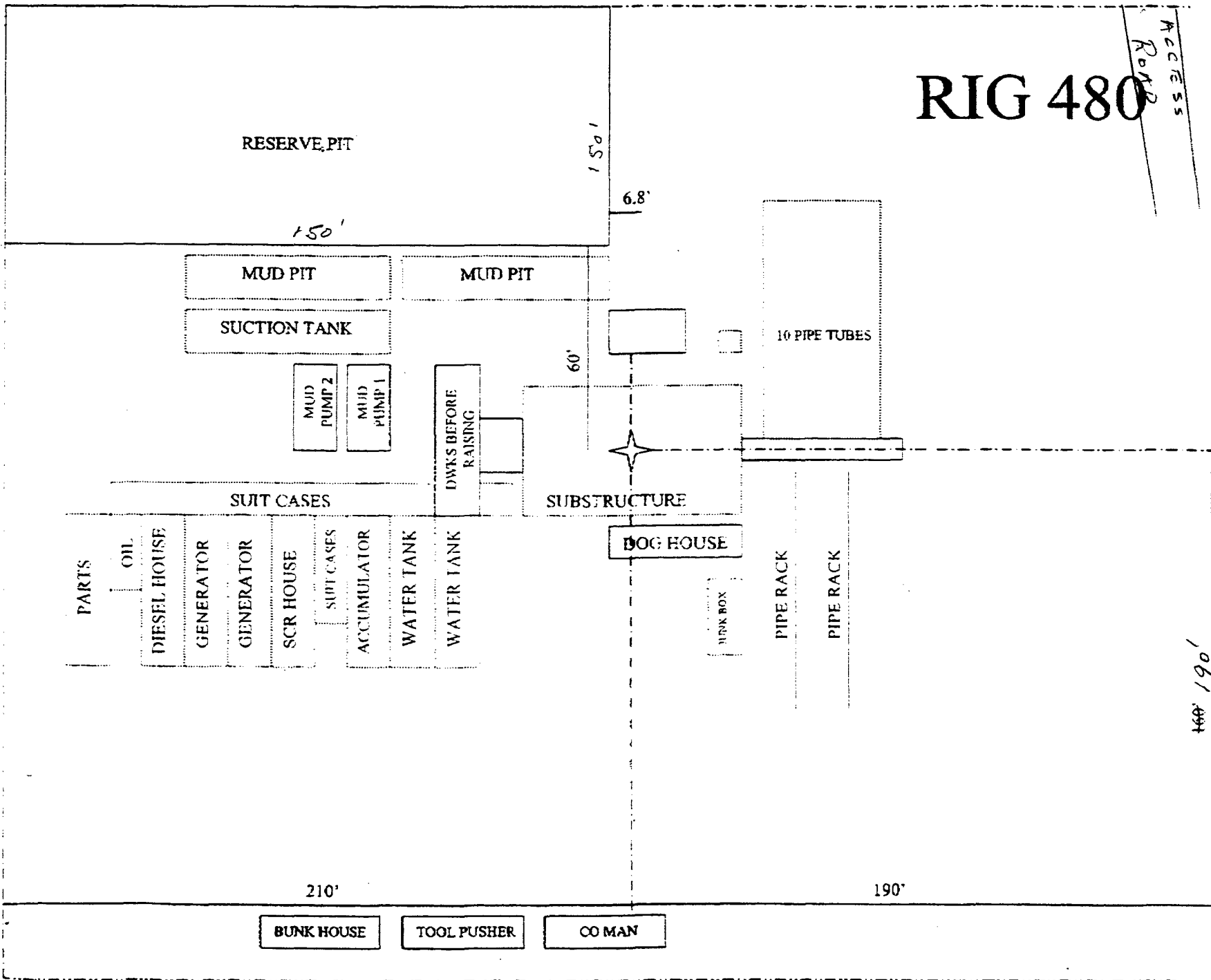


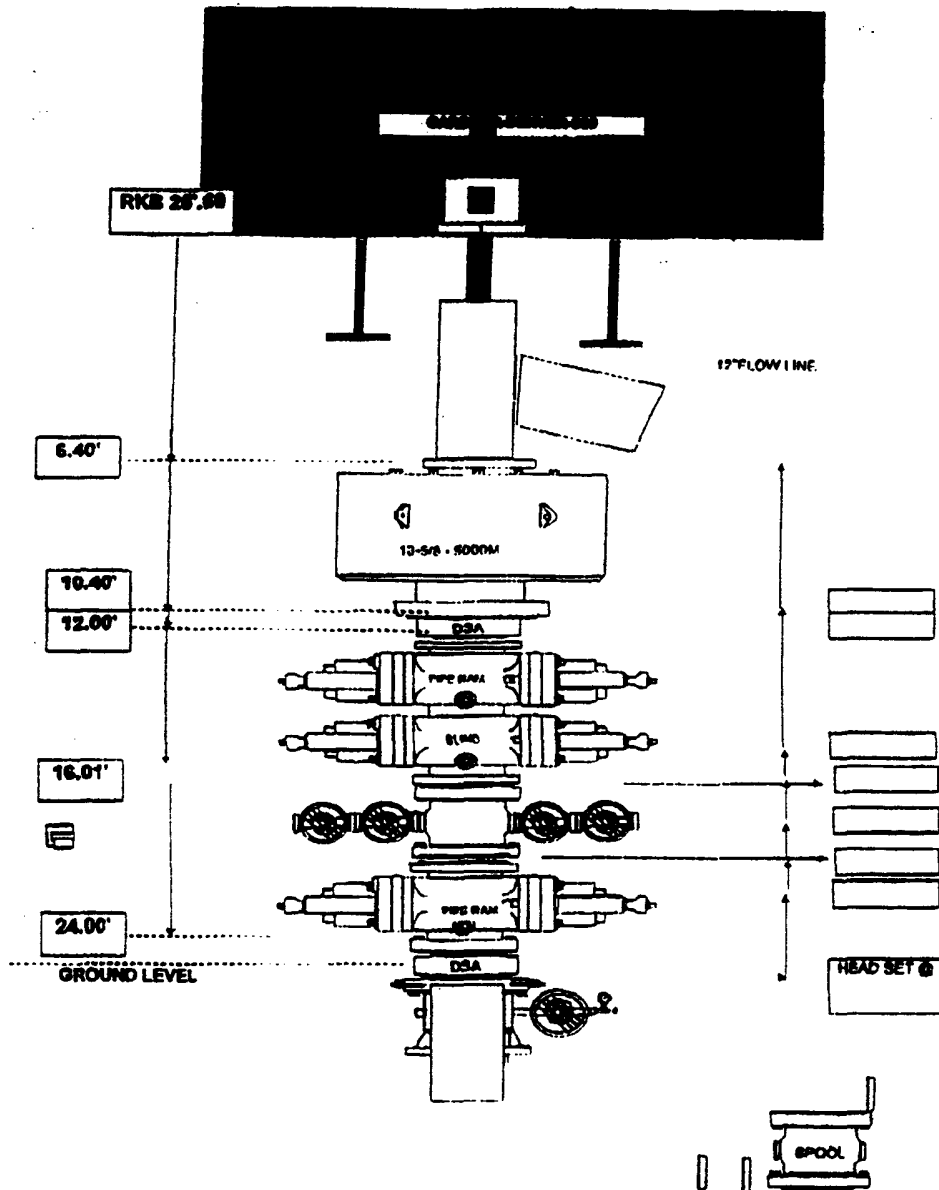
EXHIBIT "D"
SAMSON RESOURCES CO.
Lea Federal Unit, Well No. 24
Pad & Pit Layout

4326838295

P.01/01

21/10/06
505-623-4440

TOTAL P.01



ANNULAR	= 12 5/8 - 9000 HYDR. GK ANN
DOUBLE	= 12 5/8 - 1000 SHAFFER SL (DSL) BOP
SINGLE	= 12 5/8 - 1000 SHAFFER SL POSLOK BOP
WELL HEAD	= 11" SK
WELL LINE VALVES	= 2 1/4 100
CHOKE LINE VALVE	= 4 1/4 100

N.D.U.S.A.

MANIFOLD SETUP

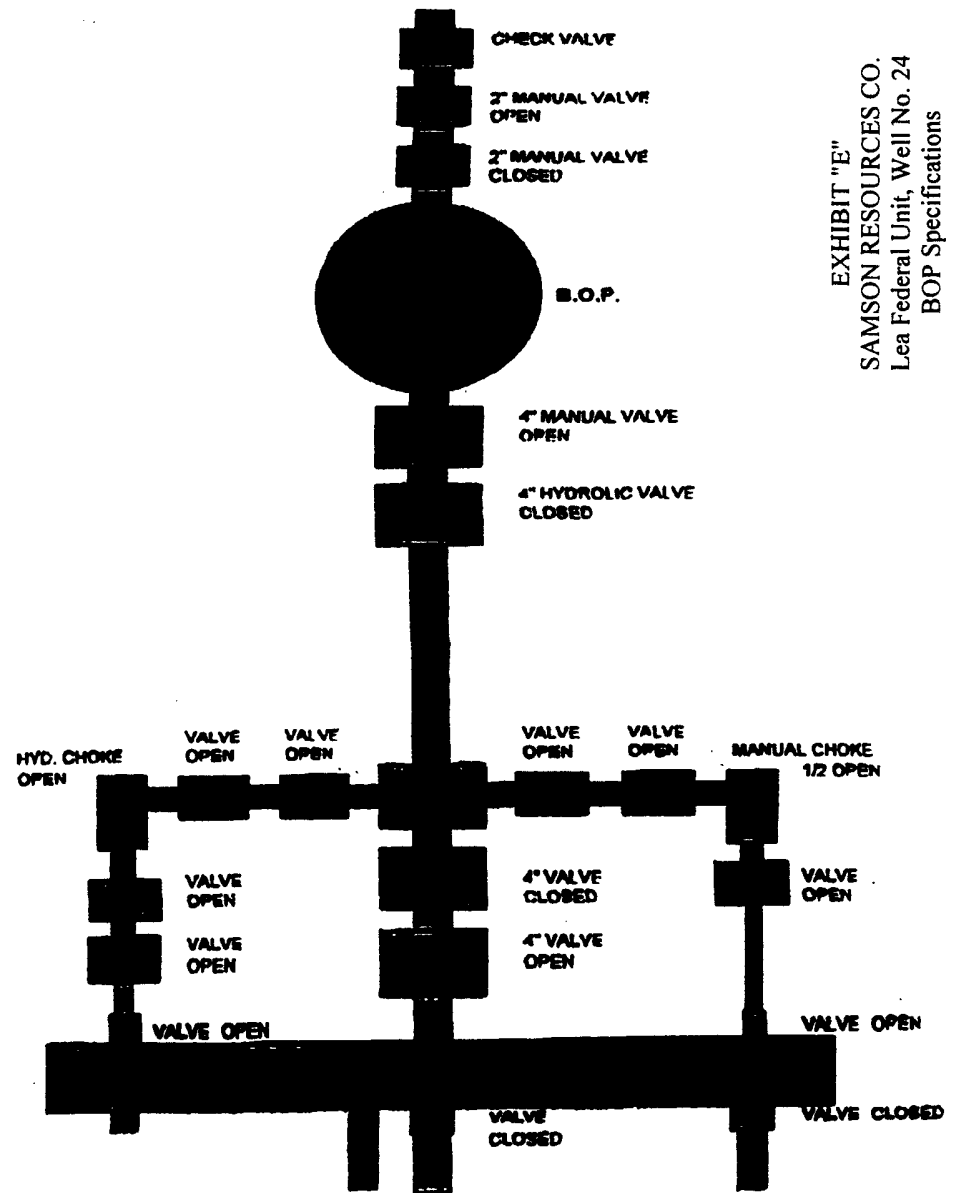


EXHIBIT "E"

SAMSON RESOURCES CO.

Lea Federal Unit, Well No. 24

BOP Specifications

CONDITIONS OF APPROVAL - DRILLING

Well Name & No. 24 - LEA FEDERAL UNIT
Operator's Name: SAMSON RESOURCES
Location: 660' FSL & 990' FWL - SEC 12 - T20S - R34E - LEA COUNTY
Lease: NM-02127B

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 234-5909 or (505) 361-2822 (After hours) - for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

- A. Spudding
- B. Cementing casing: 13-3/8 inch 9-5/8 inch 5-1/2 inch
- C. BOP tests

2. No Hydrogen Sulfide (H₂S) gas is known to exist in Sec 12 - T20S - R34E.

3. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

II. CASING:

1. The 13-3/8 inch surface casing shall be set at 1650 feet, below usable water and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is circulate cement to the surface. Note: Upon loss of circulation in the Capitan Reef the operator will notify the PET staff at the Hobbs Field Office to arrange for witnessing of the change to fresh water.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is tie back 200 feet into the 9-5/8 inch intermediate casing.

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 13-3/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) is 3000 psi.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.

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 (Brad Hargrove) Telephone: (918) 591-1939 e-mail address:

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

Facility or well name: Lea Federal Unit, Well #24 U/I. or Qtr/Qtr SW4SW4 Sec 12 T 20S R34E

County: ~~Edley~~ Lea Latitude 32°34'55.37" N Longitude 103°31'07.05" W NAD: 1927 X 1983 ☐ Surface Owner Federal X State Private ☐

Indian ☐

30-025-38212

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.) $\approx 54'$

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)

10

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: May 31, 2006

Printed Name/Title: George R. Smith, agent

Signature: George R. Smith

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: 12/15/06

Printed Name/Title: CHRIS WILLIAMS (DIST. SUPV.)

Signature: Chris Williams