

## Neil Samson Onsite Inspection Under Cause 112 Order 156/157

2/27/07: Randy Neil (970) 382-3553 (w) (970) 563-3670 (h)

Mr. Neil mentioned that one of his problems with the proposed wells was the right of way. He is of the opinion that the right of way is for landowner use only. Not public right of way access. He has one off lease access to one well and off lease access to another neighbor's well will cross him. There is also a communication line that crosses his property that they do not have a right of way for. They say original lease agreement gives them the right to access. His lawyer says it does not.

Lindblom suggested that would be an issue for the courts. Neil stated that Samson uses many attorneys in the area and there are conflict of interest issues and that it is difficult for a landowner to compete with operators. Neil noted that he had spent a lot of his vacation time meeting with them. Samson also wants an additional 0.6 acres more than what there already is even if coming off of existing pads.

Noxious weeds on the right of way are an issue also. He brought the issue up with Mark Weems who told him that there was money top do the work of reclamation and restoration but nothing has come of it.

2/27/07: Mark Weems

Mark clarified the issue regarding money for reclamation and restoration. He originally suggested that it might be possible to use ERF funds for the project. However, after discussions with senior engineers, it seemed likely that the previous owner of the property had an agreement with the previous operator and that funds were exchanged as part of a surface use agreement in compensation for not having to reclaim everything at the location in question.

2/27/07: Tom Dugan (970) 259-1770

Mr. Dugan (attorney for Samson) sent plats of well pad layouts to Mr. Neil. Neil had issues with them and Samson reoriented the pads and resent plats to Neil. Neil had an issue with one of them and Samson re-did the layout and Dugan thinks they're close. Neil would like more money but Samson is offering their standard compensation which they feel is more than the fair value of the property they will use. Neil did not want gravel in the pad area and wanted the gravel taken out back to the anchors. Samson would consider, although given the amount of money being offered they would like the full use of the pad. If gravel removed, Neil wants every bit of gravel taken out but would not allow Samson to scrape the ground. There is a bit at the end of the county road which extends beyond a sign stating that that point is the end of the county maintained road. Neil contends that this is a private road. County records show that it is a public road.

2/5/07 - left msg for Neil

3/6/07 left msg for Neil

3/8/07 - set up onsite for 3/20/07 penning

3/12 left msg

3/13 left msg

3/14 left msg. left msg to wife

3/15 - left msg.

3/15 msg from Neil → Tues. 4 pm

3/16

3/16 → Marched 4 pm on road  
next to Putnam 2:30

3/27/07

SUA signed.



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MAR 27 07

COGCC

**SURFACE DAMAGE AGREEMENT**  
**Schofield Auto #41-6-5**

KNOW ALL MEN BY THESE PRESENTS:

That for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration paid by Samson Resources Company (hereinafter "Samson"), the receipt, adequacy, and sufficiency of which is hereby acknowledged, Randy E. Neil and Vivian R. Neil, on behalf of themselves and their respective predecessors, successors, heirs, assigns, personal representatives, and any person or entity claiming by, through or under any of them (collectively "Grantor"), as owner of an interest in the following lands (the "Lands") located in La Plata County, Colorado:

**Township 32 North, Range 7 West**  
**Section 6: NENW**

do hereby release Samson and all affiliates, joint owners, employees, contractors or other persons working for, with, or succeeding to Samson (collectively "Operator") from all claims for damage to the surface or improvements arising out of or related to normal or ordinary operations in connection with the well(s) shown on the plat attached hereto as Exhibit "A" and any related facilities, roadways and pipelines. This release does not apply to those claims which arise due to negligence, misconduct, or excessive use by Operator. Operator hereby agrees to indemnify and hold Grantor harmless from all other types of claims arising from Operator's operations on the Lands which are not contributed to by Grantor's negligence or misconduct.

Grantor hereby consents to Operator's access to and operations on the Lands necessary for the subject well(s) and any related facilities, roadways and pipelines; provided, however, that Operator shall only use such portions of the Lands as are reasonably necessary for its operations. Operator shall have the full and complete use of the original drill site for future operations. At Grantor's request, Operator will not use synthetic liners for any pits utilized unless required by regulatory authority with jurisdiction over the matter. To the extent practicable, Operator shall conduct its operations in a manner which reasonably accommodates Grantor's existing use of the Lands.

The location of the well may be altered from the location shown on Exhibit "A" as required to obtain approval of the Colorado Oil and Gas Conservation Commission ("COGCC") or local governmental agencies, in which event the location of any related facilities, roadways and pipelines may also be altered so as to align with the altered well location. In such case, Grantor agrees to execute an amendment to this Agreement and the necessary rights-of-way in recordable form indicating the correct revised locations of the well, roadways and/or pipelines.

Grantor hereby waives receipt of the notification thirty (30) days prior to commencement of drilling operations as required by Rule 305.b of the COGCC rules and acknowledges that Grantor has received the brochure "Information for Oil and Gas Operators, Surface Owners and Surface Tenants" as per COGCC Rule 305.c(6). This Agreement shall serve as evidence that the consultation requirements of the COGCC Rules 305 and 306 have been fulfilled.

This Agreement and rights of ingress and egress confirmed and/or granted hereunder shall continue until abandonment of the subject well(s) and for a period of one year following such abandonment during which Operator shall have the right to remove all equipment, facilities, and other fixtures. Upon abandonment of the well(s), Operator agrees to restore the surface of the Lands disturbed by Operator's operations to as reasonably near the condition as they were prior to Operator's operations in accordance with COGCC Rules.

This Agreement shall be a covenant running with the land and shall be binding on Operator and Grantor and their respective successors, heirs, and assigns.

The terms of this written Agreement and any letter agreement setting forth the full consideration payable hereunder shall constitute the full agreement between the parties

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hereto and no modification or amendment of this Agreement shall be effective unless  
made in writing and signed by the parties.

MAR 27 07

COGCC

IN WITNESS WHEREOF, this Release is voluntarily entered into and executed this  
25, day of March, 2007.

GRANTOR

SAMSON RESOURCES COMPANY

  
Randy E. Neil

  
Vivian R. Neil

By: 

Craig A. Reid

San Juan Basin Manager









1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

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Plugging Bond Surety ID #:			
60666			

APPLICATION FOR PERMIT TO:

1. TYPE OF WORK

☒ DRILL, ☐ DEEPEN, ☐ RE-ENTER, ☐ RE-COMplete and OPERATE

2. TYPE OF WELL

OIL ☐ GAS ☐ COAL BED ☒ OTHER \_\_\_\_\_

Refilling ☐

SINGLE ZONE ☐ MULTIPLE ZONE ☐ COMMINGLE ZONES ☐

Side Track ☐

3. Name of Operator: Samson Resources Company 4. COGCC Operator Number: 76104

4. Address: C/- 150 Rock Point Drive, Suite F

5. City: DURANGO State: COLORADO Zip: 81301

6. Contact Name: Julie Dossey Phone: 970-382-0027 Fax: 970-382-0290

7. Well Name: SCHOFIELD AUTO 41-6-6 Well Number \_\_\_\_\_

8. Unit Name (If appl.): \_\_\_\_\_ Unit No. \_\_\_\_\_

9. Proposed Total Measured Depth: 3659

WELL LOCATION INFORMATION

10. Qtr.Qtr. NENE Sec: 6 Twp: 32N Rng: 7W Meridian: NMPM

Latitude: 37.050035° N Longitude: 107.644530° W

Footage At Surface: 1109 FNL 1168 FEL

11. Field Name: Ignacio Blanco Field Number: 38300

12. Ground Elevation: 6402 13. County: La Plata

14. GPS Data: Date of Measurement: 9/13/06 PDOP Reading: 1.9 Instrument Operator's Name: Craig Campbell

15. If Well is: ☒ Directional ☐ Horizontal (highly deviated), submit deviated drilling plan. Bottom Hole Sec Twp Range: 6-32N-7W

Footage at Top of Prod. Zone: 869 FNL & 2303 FEL Footage at Bottom Hole Location: 800 FNL 2630 FEL

16. Is location in a high density area (Rule 603b)? ☐ Yes ☒ No

17. Distance to nearest building, public road, above ground utility or railroad: 1109

18. Distance to Nearest Property Line: 1109' 19. Distance to nearest well permitted/completed in same formation: Approx 1000'

20. LEASE, SPACING, AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Fruitland Coal	FRLDC	112-181	320	N/2

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease # \_\_\_\_\_

22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Surface Surety ID # \_\_\_\_\_

23. Is the Surface Owner also the Mineral Owner ☐ Yes ☒ No

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes ☐ No ☐

23b. If 23 is No: ☐ Surface Owners Agreement Attached or ☒ \$25,000 Blanket Surface Bond ☐ \$2,000 Surface Bond ☐ \$5,000 Surface Bond

24. Using standard Qtr.Qtr, Sec. Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

See attached

25. Distance to Nearest Lease Line: 800' 26. Total Acres In Lease: 480'

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated: ☐ Yes ☒ No If Yes, attached contingency plan

28. Will salt sections be encountered during drilling?: ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☒ No If 28, 29 or 30 are "Yes" a pit permit may be required

31. Mud disposal: ☐ Offsite ☒ Onsite

Method: ☐ Land Farming ☐ Land Spreading ☐ Disposal Facility ☒ Other Reserve pit - evaporate

NOTE: The use of an earthen pit for recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify fire officials.

String	Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Surface	12 1/4	8 5/8	24#	<del>380</del> 375	258 +	375 350	surface
Production	7 7/8	5 1/2	17#	3659'	233' lead	3659'	surface
					274 tail		

32. Bop Equipment Type: ☐ Annular Preventor ☒ Double Ram ☐ Rotating Head ☐ None

33. Comments: Please note that the original consultation started in Feb/March 2006 and to date a surface agreement has not been signed

Initial rule 306 Consultation has taken place on March 2006 (no agreement signed), was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation.

PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED

I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: \_\_\_\_\_

Print Name: Julie Dossey

Title: Permitting Agent

Date: February 8, 2007

Email: jdossey@timberlineland.com

Based on the information provided herein, this application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

OGCC Approved: \_\_\_\_\_ Date: \_\_\_\_\_

API NUMBER

05-067-

Permit Number: 20070692

CONDITION OF APPROVAL, IF ANY:

Expiration Date: \_\_\_\_\_



1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109

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## APPLICATION FOR PERMIT TO:

## 1. TYPE OF WORK

☒ DRILL, ☐ DEEPEN, ☐ RE-ENTER, ☐ RE-COMPLETE and OPERATE

## 2. TYPE OF WELL

OIL ☐ GAS ☐ COAL BED ☒ OTHER \_\_\_\_\_Refiling ☐SINGLE ZONE ☐ MULTIPLE ZONE ☐ COMMINGLE ZONES ☐Side Track ☐3. Name of Operator: Samson Resources Company 4. COGCC Operator Number: 761044. Address: C/- 150 Rock Point Drive, Suite F5. City: DURANGO State: COLORADO Zip: 813016. Contact Name: Julie Dossey Phone: 970-382-0027 Fax: 970-382-02907. Well Name: SCHOFIELD AUTO 41-6-5 Well Number \_\_\_\_\_

8. Unit Name (If appl.): \_\_\_\_\_ Unit No. \_\_\_\_\_

9. Proposed Total Measured Depth: 3659

## WELL LOCATION INFORMATION

10. Qtr.Qtr. NENW Sec: 6 Twp: 32N Rng: 7W Meridian: NMPMLatitude: 37.05057° N Longitude: 107.65444° WFootage At Surface: 1025 FNL 1446 FWL11. Field Name: Ignacio Blanco Field Number 3830012. Ground Elevation: 6475 13. County: La Plata

## 14. GPS Data:

Date of Measurement: 9/13/06 PDOP Reading: 1.1 Instrument Operator's Name: Craig Campbell15. If Well is: ☒ Directional ☐ Horizontal (highly deviated), submit deviated drilling plan. Bottom Hole Sec Twp Range: 6-32N-7WFootage at Top of Prod. Zone: 1781 FNL 820 FWL Footage at Bottom Hole Location 1974 FNL 660 FWL16. Is location in a high density area (Rule 603b)? ☐ Yes ☒ No17. Distance to nearest building, public road, above ground utility or railroad: Approx 700' to building18. Distance to Nearest Property Line: 124' (see waiver) 19. Distance to nearest well permitted/completed in same formation: Approx 1000'

## 20. LEASE, SPACING, AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
<u>Fruitland Coal</u>	<u>ERLDC</u>	<u>112-181</u>	<u>320</u>	<u>N/2</u>

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease # \_\_\_\_\_22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Surface Surety ID # \_\_\_\_\_23. Is the Surface Owner also the Mineral Owner ☐ Yes ☒ No23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes ☐ No ☐23b. If 23 is No: ☐ Surface Owners Agreement Attached or ☒ \$25,000 Blanket Surface Bond ☐ \$2,000 Surface Bond ☐ \$5,000 Surface Bond

24. Using standard QtrQtr, Sec. Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer)::

T32N, R7W, Sec 6 - Lots 1 and 2 (W/2NW/4) - see attached lease25. Distance to Nearest Lease Line: 660' 26. Total Acres In Lease 80

## DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated: ☐ Yes ☒ No If Yes, attached contingency plan28. Will salt sections be encountered during drilling?: ☐ Yes ☒ No29. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? ☐ Yes ☒ No30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☒ No If 28, 29 or 30 are "Yes" a pit permit may be required31. Mud disposal: ☐ Offsite ☒ OnsiteMethod: ☐ Land Farming ☐ Land Spreading ☐ Disposal Facility ☒ Other Reserve pit - evaporate

NOTE: The use of an earthen pit for recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify fire officials.

String	Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
Surface	<u>12 1/4</u>	<u>8 5/8</u>	<u>24#</u>	<u>445'</u>	<u>258 +</u>	<u>445'</u>	<u>surface</u>
Production	<u>7 7/8</u>	<u>5 1/2</u>	<u>17#</u>	<u>3659'</u>	<u>234' lead</u>	<u>3659'</u>	<u>surface</u>
					<u>274' tail</u>		

Stage Tool \_\_\_\_\_ N/A

32. Bop Equipment Type: ☐ Annular Preventor ☒ Double Ram ☐ Rotating Head ☐ None33. Comments: Please note at the time of the APD submittal a surface agreement has not been signedInitial rule 306 Consultation has taken place on March 2006 (no agreement signed), was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation.

PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED

I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: \_\_\_\_\_

Print Name: Julie DosseyTitle: Permitting AgentDate: February 14, 2007Email: jdossey@timberlineland.com

Based on the information provided herein, this application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

OGCC Approved: \_\_\_\_\_ Date: \_\_\_\_\_

API NUMBER

05-067-

Permit Number: 20070765

CONDITION OF APPROVAL, IF ANY:

Expiration Date: \_\_\_\_\_