

1/20/06 WJS

DAF-3625
State of New Mexico
Energy, Minerals and Natural Resources Department

PWVJ 0602057551

District I
1625 N. French Drive, 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

Form C-107A
Revised June 10, 2003

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

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Range Operating New Mexico, Inc.

777 Main St., Ste. 800, Fort Worth, TX 76102

Operator

Address

H. S. Turner

M 29 21S 37E

Lea

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 227588 Property Code 301557 API No. 30-025-06884 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Penrose-Skelly Grayburg		Eunice San Andres
Pool Code	50350		24150
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3646 - 3780		3864 - 3930
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
Bottomhole Pressure <small>(Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)</small>			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	Oil - 33.9		0.1
Producing, Shut-In or New Zone	Producing		New Zone
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: 12/31/05 Rates: 39 MCFPD 5 BOPD	Date: Rates:	Date: 11/01/05 Rates: 34 MCFPD 3 BOPD
	Oil Gas 60 % 53 %	Oil Gas % %	Oil Gas 40 % 47 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE TITLE Sr. Reg. Sp. DATE 1-19-06

TYPE OR PRINT NAME Paula Hale TELEPHONE NO. (817) 810-1916

E-MAIL ADDRESS phale@rangeresources.com

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-08884		2 Pool Code 50350/2415D		3 Pool Name Penrose Skelly / Grayburg / San Andres	
4 Property Code 34936		5 Property Name H.S. Turner			6 Well Number 2
7 OGRID No. 227588		8 Operator Name Range Operating New Mexico, Inc.			9 Elevation 3472

10 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	29	21S	37E		330	South	330	West	Lea

11 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

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 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>16</p> <p><i>This is a copy of the C-102 that was approved by Hobbs O.C.D. Well code has changed since then.</i></p>	<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Paula Hale</i> Signature</p> <p>Paula Hale Printed Name</p> <p>Sr. Reg. Sp.</p> <p>Title and E-mail Address</p> <p>9/16/05 Date</p>

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-06884		² Pool Code 50350/24150		³ Pool Name Penrose Skelly Grayburg/Eunice San Andres	
⁴ Property Code 30157		⁵ Property Name H.S. Turner			⁶ Well Number 2
⁷ OGRID No. 227588		⁸ Operator Name Range Operating New Mexico, Inc.			⁹ Elevation 3472

¹⁰ Surface Location

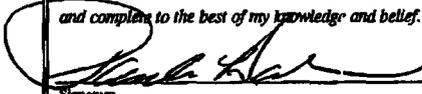
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	29	21S	37E		330	South	330	West	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

16	¹⁷ OPERATOR CERTIFICATION			
	<i>I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief.</i>			
				
	Signature			
Paula Hale Printed Name				
Sr. Reg. Sp.				
Title and E-mail Address				
9/16/05 Date				
¹⁸ SURVEYOR CERTIFICATION				
<i>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.</i>				
Date of Survey				
Signature and Seal of Professional Surveyor:				
Certificate Number				

330'

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, January 20, 2006 2:29 PM
To: 'Paula Hale'
Subject: RE: DHC application: H.S. Turner #3 30-025-06884

Paula:
The only one missing is the upper interval.

You can fax or mail the corrected form and the C-102's.
Fax 505-476-3462

Thank You,

William V. Jones Engineering Bureau Oil Conservation Division Santa Fe

From: Paula Hale [mailto:PHale@rangeresources.com]
Sent: Friday, January 20, 2006 1:43 PM
To: Jones, William V., EMNRD
Subject: RE: DHC application: H.S. Turner #3 30-025-06884

I'm sorry. I thought I did fill in the Pool Names and Codes. Do you want me to just re-submit it?

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Friday, January 20, 2006 2:37 PM
To: Paula Hale
Subject: DHC application: H.S. Turner #3 30-025-06884

Hello Paula:
Today, we received your DHC application in Santa Fe.

- 1) Please fill in the Pool Name and Pool Codes for each Pool to be commingled. Along with the Pool Name, indicate whether this is a "gas well" or "oil well". If you do not know the Pool name, ask the Landman to determine this and supply it to you. The Geologist can tell you which formation was completed for the upper interval. I can assume this is grayburg oil, but I am not allowed to assume. It could be Queen or Queen and Grayburg?
- 2) Attachments: Send a copy of the latest C-102 for each Pool to be commingled. These should show the spacing unit outline and be consistent with whether you are calling this an oil pool (normally 40 acres) or a gas pool (160 or 320 or 640 acres).
- 3) Copies: Despite what the rules say, send only one original application to Santa Fe with administrative applications. We just throw away any copies you send or they get us confused and we issue duplicate orders. Please note, that some administrative applications require you to send a copy to the appropriate OCD District Office as well as the BLM or SLO.

Thank You,

William V. Jones Engineering Bureau Oil Conservation Division Santa Fe

1/20/2006