

DATE IN 9/22/08	SUSPENSE	ENGINEER W Jones	LOGGED IN 9/22/08	TYPE PC	APP NO. PKVR0826637783
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Range
PC-1203

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☒ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners (Notice has been sent out)

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Paula Hale
 Print or Type Name

Signature

St. Reg. Sp.
 Title

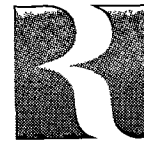
9-22-08
 Date

phale@rangeresources.com
 e-mail Address

RECEIVED
 2008 SEP 22 AM 10 05

RECEIVED

September 17, 2008 2008 SEP 18 AM 10 16



RANGE RESOURCES

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

Re: Surface & Pool Commingling Application
State C #1, State C #2, State C-17 #1
Lea County, New Mexico

Gentlemen:

Enclosed is Range Operating New Mexico Inc.'s application to Surface and Pool commingle the subject leases. Included in this application are:

- a) Form C-107-B
- b) Statement of Notification to all Interest Owners
- c) Interest Owner List
- d) Exhibit 1 – List of leases involved with descriptions and pools
- e) Exhibit 2,3 & 4 – Plats showing location of wells
- f) Exhibit 5 & 6 – Schematic diagrams and descriptions
- g) Exhibit 7 – Volume Contribution Per Well

Should you have any questions or need further information please contact the undersigned.

Sincerely,

Paula Hale
Sr. Reg. Sp.

phale@rangeresource.com
Enclosure(s)

CC: New Mexico Oil Conservation Division
1625 N. French Dr.
Hobbs, New Mexico 88240

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, 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 Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Range Operating New Mexico, Inc.
OPERATOR ADDRESS: 100 throckmorton St., Ste. 1200, Fort Worth, TX 76102
APPLICATION TYPE:
☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
See Attachment					

- (2) Are any wells producing at top allowables? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

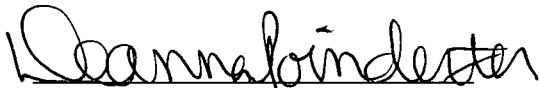
SIGNATURE:  TITLE: Sr. Reg. Sp. DATE: 9-17-2008

TYPE OR PRINT NAME Paula Hale TELEPHONE NO.: 817-869-4216

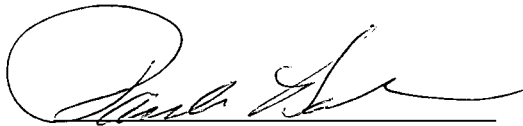
E-MAIL ADDRESS: phale@rangeresources.com

**STATEMENT OF NOTIFICATION
STATE C LEASE
OCD 301555
SURFACE & POOL COMMINGLING**

A copy of the OCD Form C-107-B have been sent to all interest owners, as notice of Range Operating's application to surface commingle multiple pools.



Deanna Poindexter
Area Production Engineer
Date: 9-17-2008



Paula Hale
Sr. Reg. Sp.
Date: 9-17-2008

**STATE C LEASE 301555
INTEREST OWNER LIST**

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504

Donaldson Brown Royalty Trust
P. O. Box 1183
Abingdon, MD 21009-1222

Dominion Reserves, Inc.
P. O. Box 1248
Jane Lew, WV 26378

Hawkins ACQ Limited Partnership
Frisco Energy LLC General Partner
Attn: Butch Smith
2531 East 51st Street, Ste. 300
Tulsa, OK 74105

Kerr-McGee Oil & Gas Onshore, LP
P. O. Box 1330
Houston, TX 77521-1330

Range Operating New Mexico, Inc.
100 Throckmorton St., Ste. 1200
Fort Worth, TX 76102

EXHIBIT 1

Lease Name & Number	API #	OCD LEASE CODE #	LOCATION	Unit-Sec-Twn-Rng	Pool	OCD Pool #
State C #1	30-025-10037	301555	1980' FNL & 1981.5' FWL	F-17-22S-37E	Eunice; San Andres, Southwest	24180
State C #2	30-025-38170	301555	1650' FNL & 2195' FWL	F-17-22S-37E	Eunice; San Andres, Southwest	24180
State C-17 #1	30-025-38583	301555	2310' FNL & 2310' FWL	F-17-22S-37E	Blinbry Oil and Gas (Oil)	666060240
					Tubb Oil and Gas (Oil)	60240
					Drinkard	19190
					Wantz; Abo	62700

1
2
3
4
5

Property Code: 301555

OGRID No: 227588

NEW MEXICO OIL CONSERVATION COMMISSION

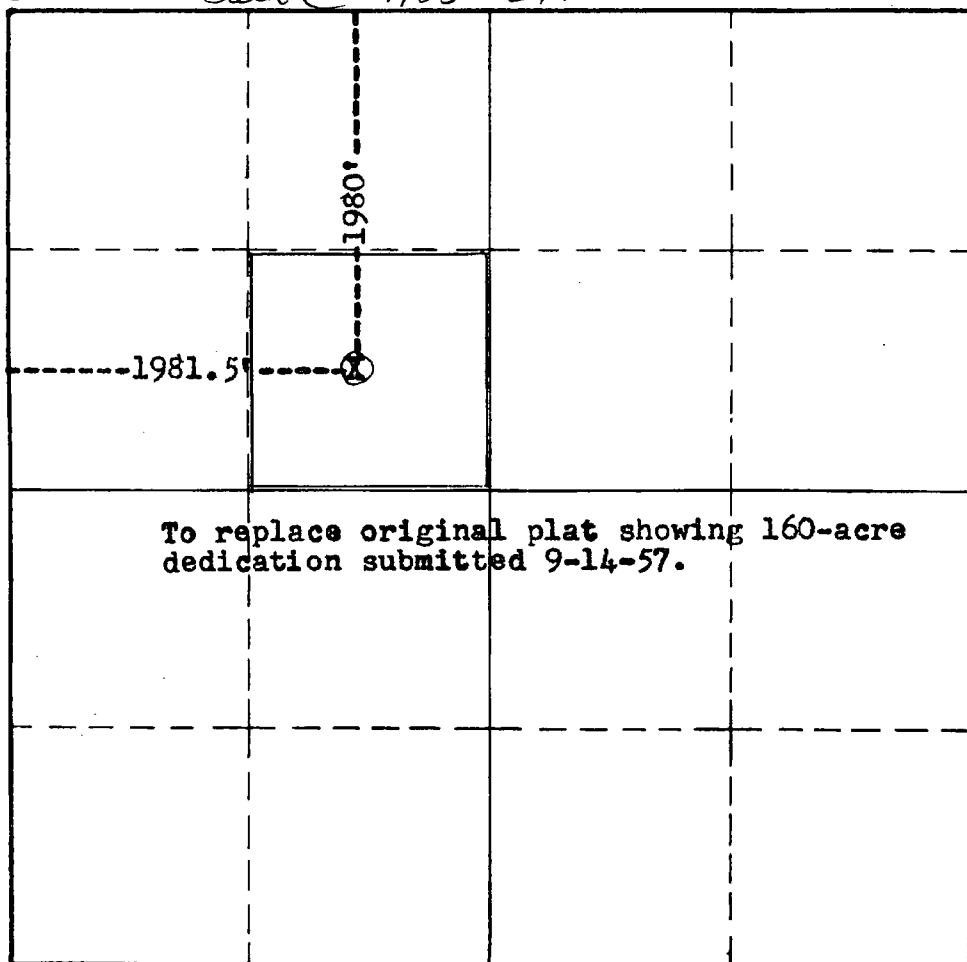
Form C-128

Revised 5/1/57

Well Location and Acreage Dedication PlatSection A. Operator Now: Range Operating New Mexico, Inc. Date: 11-14-57

Operator Neville G. Penrose, Inc. Lease State "C" (formerly Elliott State)
 Well No. 1 Unit Letter F Section 17 Township 22S Range 37E NMPM
 Located 1981.5 Feet From west Line, 1980 Feet From north Line
 County Lea G. L. Elevation _____ Dedicated Acreage 40 Acres
 Name of Producing Formation Queen Sand Pool Eumont

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
 Yes _____ No X.
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No _____. If answer is "yes," Type of Consolidation joint venture
3. If the answer to question two is "no," list all the owners and their respective interests below:

OwnerLand DescriptionUnice San Andres SouthwestR-6499 $\frac{1}{2}$ R-6861Eumont Pool Queen SandEumont, Yates-Rivers-Queen (oil) 22800 API # - 30-025-10337Section B Salt @ 1185-2443'

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Neville G. Penrose, Inc.
 (Operator)

G.G. Neill
 (Representative)
 Box 988
Eunice, New Mexico
 Address

This is to certify that the well location shown on the plat in Section B 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 knowledge and belief.

Date Surveyed 9-12-57

John W. West
 Registered Professional
 Engineer and/or Land Surveyor.

Certificate No. _____

DISTRICT I

1625 N. FRENCH DR., HOHEN, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTECHA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-38170	Pool Code	Pool Name
Property Code 301555	Property Name STATE "C"	Well Number 2
OGRD No. 227588	Operator Name RANGE OPERATING NEW MEXICO, INC.	Elevation 3398'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	17	22-S	37-E		1650	NORTH	2195	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	Joint or Infill	Consolidation Code	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

	OPERATOR CERTIFICATION 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. Signature _____ Date _____ Printed Name _____
	SURVEYOR CERTIFICATION 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. OCTOBER 26, 2006 Date Surveyed _____ JMD Signature & Seal of Professional Surveyor _____ Gary H. Edson 11/10/06 06.11.1705 Certificate No. GARY EDSON 12841

DISTRICT I

1825 N. FRENCH DR., HOBBS, NM 88240

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

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-38583	Pool Code	Pool Name
Property Code 301555	Property Name STATE 'C' 17	Well Number 1
OGRID No. 227588	Operator Name RANGE OPERATING NM, INC.	Elevation 3394'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	17	22-S	37-E		2310	NORTH	2310	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

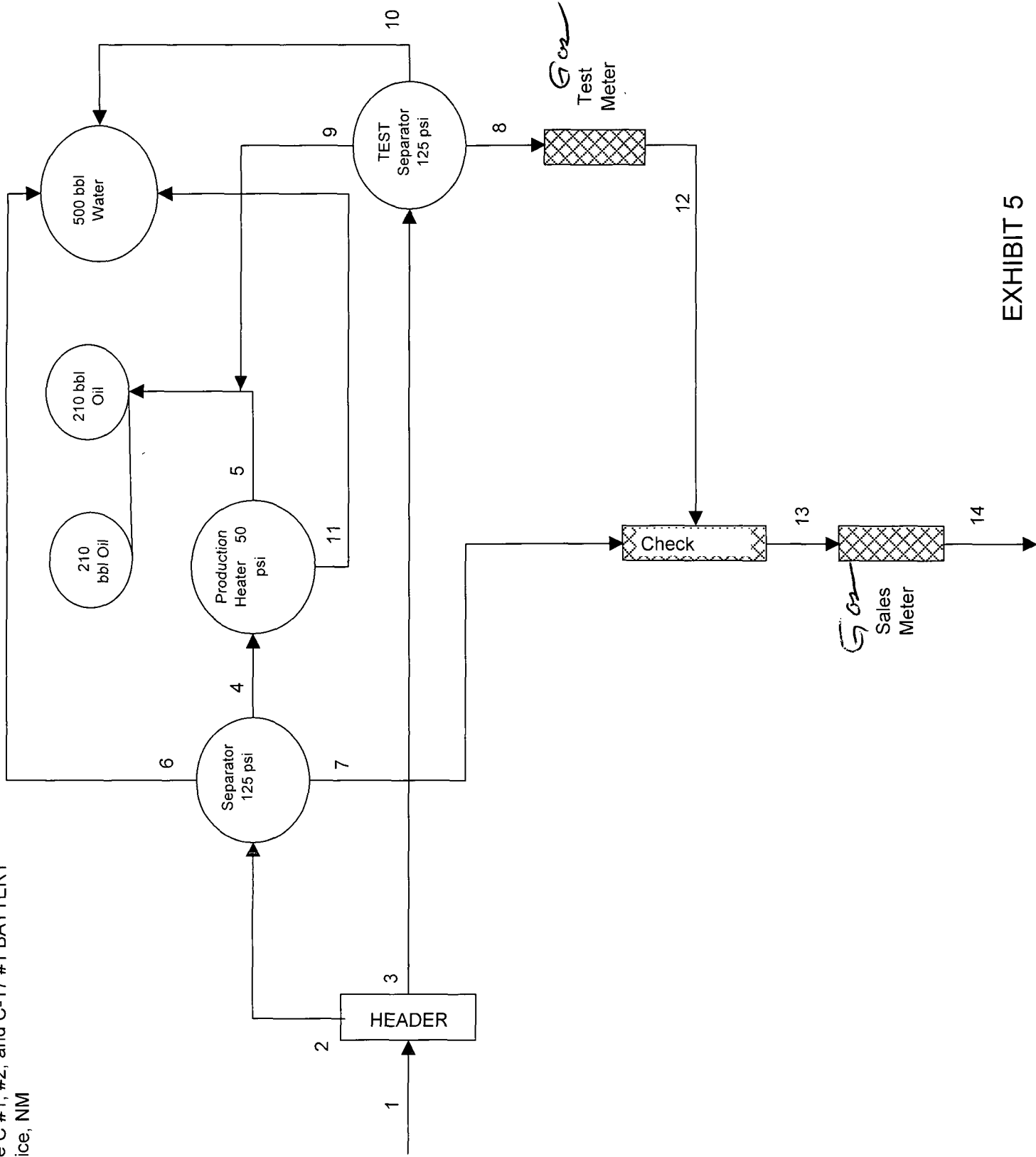
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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>APP Asked for</p> <p>9-1-08 - Stuck in the hole - Sidetrack</p> <p>9-15/08 - TD 6961' (Abo)</p>	<p>2310'</p>	<p>Blinbery Oil & Gas (Oil) 6660</p> <p>Tubb Oil & Gas (Oil) 60240</p> <p>Drinkard 19190</p> <p>Fowler Drinkard (Consol- 26620</p> <p>Abo; wantz 14660 62700</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>Signature _____ Date _____</p> <p>Printed Name _____</p>
		<p>GEODETIC COORDINATES</p> <p>NAD 27 NME</p> <p>Y=508455.1 N</p> <p>X=854247.1 E</p> <p>LAT.=32.392632° N</p> <p>LONG.=103.185697° W</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>SEPTEMBER 17, 2007</p> <p>Date Surveyed _____</p> <p>Signature _____</p> <p>Professional Surveyor 3239</p> <p>Ronald J. Eidson 9/25/07</p> <p>07-11-1266</p> <p>Certificate No. GARY EIDSON 12641</p> <p>RONALD J. EIDSON 3239</p>



Range Operating New Mexico, Inc.
State C #1, #2, and C-17 #1 BATTERY
Eunice, NM





Range Operating New Mexico, Inc.
State C #1, #2, and C-17 #1 BATTERY
Eunice, NM

Line	Description
1 -	Oil, Gas, and Water from all wells entering Header
2 -	Oil, Gas, and Water from wells on Production going to separator
3 -	Oil, Gas, and Water from well on Test going to test separator
4 -	Oil from wells on production leaving separator and going to heater
5 -	Oil from wells on production leaving heater and going to tanks (through oil meter)
6 -	Water from wells on production leaving separator and going to tank
7 -	Gas from wells on production leaving separator and going to company owned check meter
8 -	Gas from well on Test leaving test separator and going to company owned test meter
9 -	Oil from well on Test leaving test separator and going to tank (through oil meter)
10 -	Water from well on Test leaving test separator and going to tank
11 -	Water from wells on production leaving heater and going to tank
12 -	Gas from well on Test leaving test meter and going to company owned check meter
13 -	All gas from lease commingled leaving company owned check meter
14 -	All gas from lease commingled leaving Souther Union (gatherer) owned sales meter

EXHIBIT 7
STATE C-17 #1
Volume Contribution Per Well

Lease Name	OCD/BLM Lease Code	Well No.	BOPD	MCFPD	Gravity	BTU Content @ 14.73	BTU Content @ 15.025
State C	301555	1	0	0	0.753	1.049	1.0284
State C	301555	2	4	202	0.753	1.049	1.0284
State C-17	301555	1	<i>Not producing yet.</i>				