

**Stogner, Michael**

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**From:** Thomas Kellahin [kellahin@earthlink.net]  
**Sent:** Wednesday, September 29, 2004 8:56 AM  
**To:** Michael E. Stogner  
**Subject:** Procedure for Extreme NSL

I would appreciate your direction for processing an extreme NSL. I think I recall that you wanted these set for hearing but I am not sure. Yesterday afternoon, I filed the attached application both administratively and for the October 21 hearing. Which one should I withdraw. Regards, Tom

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10/5/2004

**KELLAHIN & KELLAHIN**  
**Attorney at Law**

**W. Thomas Kellahin**  
Recognized Specialist in the Area of  
Natural Resources-oil and gas law-  
New Mexico Board of Legal Specialization

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Santa Fe, New Mexico 87501

Telephone 505-982-4285  
Facsimile 505-982-2047  
kellahin@earthlink.net

September 28, 2004

**HAND DELIVERED**

Mr. Mark E. Fesmire, Director  
Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

13358

2004 SEP 28 PM 1 44

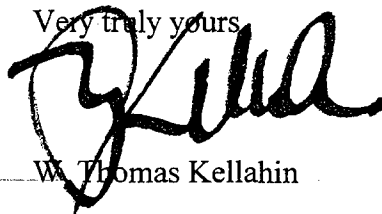
Re: Application of RB Operating Company  
for approval of two unorthodox oil well locations  
and simultaneous dedication,  
East Loving-Brushy Canyon Pool,  
Eddy County, New Mexico

- (1) Carrasco "14" Well No. 4  
2630 feet FSL and 1330 feet FEL (Unit J)  
Section 14, T23S, R28E
- (2) South Culebra Bluff "23" Well No. 15  
1430 feet FNL and 1150 feet FEL (Unit H)  
Section 23, T23S, R28E

Dear Mr. Fesmire:

On behalf of RB Operating Company, please find enclosed our referenced application that we request to sent for hearing on the next available docket currently schedule for October 21, 2004.

Very truly yours



W. Thomas Kellahin

cc: RB Operating Company  
Attn: Bobby Ebeier

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION OF  
RB OPERATING COMPANY FOR TWO  
UNORTHODOX OIL WELL LOCATIONS  
AND TWO SIMULTANEOUS DEDICATIONS,  
EDDY COUNTY, NEW MEXICO.**

**APPLICATION**

13358

RB OPERATING COMPANY ("RB") by its attorneys, Kellahin & Kellahin, seeks an order authorizing the drilling and production of its Carrasco "14" Well No. 4 at an unorthodox well location 2630 feet FSL and 1330 feet FEL (Unit J) Section 14, T23S, R28E and its South Culebra Bluff "23" Well No. 15 at an unorthodox well location 1430 feet FNL and 1150 feet FEL (Unit H) Section 23, T23S, R28E and to simultaneously dedicate each to be a different standard 40-acre oil spacing unit for production from the East Loving-Brushy Canyon Pool, Eddy County New Mexico.

In support of its application RB states:

1. RB proposes to drill the following two wells each at an unorthodox oil well location and to simultaneously dedicate each to a different standard 40-acre spacing unit as follows:
  - a. Its Carrasco "14" Well No. 4 to be drilled at an unorthodox oil well location 2630 feet FSL and 1330 feet FEL (Unit J) Section 14, T23S, R28E and to simultaneously dedicate it along with the South Culebra Bluff Well No. 2, (API 30-015-22591) a producing oil well located 1722 feet FSL and 2032 feet FEL (Unit J) Section 14, T23S, R28E. **See locator map attached as Exhibit "A" and C-102s attached as Exhibit "B"**
  - b. its South Culebra Bluff "23" Well No. 15 to be drilled at an unorthodox oil well location 1430 feet FNL and 1150 feet FEL (Unit H) Section 23, T23S, R28E and to simultaneously dedicate it along with the South Culebra Bluff "23" Well No. 12 (API 30-015-26368) a producing oil well located 2140 feet FNL and 400 feet FEL (Unit H) Section 23, T23S, R28E. **See locator map attached as Exhibit "A" and C-102s attached as Exhibit "C"**

2. These spacing units are subject to the East Loving-Brushy Canyon Pool including, among other things, 40-acre oil spacing with wells located not closer than 330 feet to the side boundaries and a special limiting gas/oil ratio of 8,000 cubic feet of gas per barrel of oil produced.
3. As a result of development in accordance with Division rules, each of these two governmental quarter-section contains 4 oil wells that may have by passed recoverable oil that now can be recovered by adding a new well at the approximate center of each quarter section. In order to test this probability, RB proposes to drill these two infill wells. **See locator map attached as Exhibit "A"**
4. RB, based upon geologic data, believes that its proposed unorthodox well locations will provide better opportunities to access potential production in the Brushy Canyon interval of the Delaware formation that cannot be produced by the other wells within this spacing unit or adjacent spacing units.
  - a. Isopach of Brushy Canyon interval "Total Net BC SS"  
See Exhibit "D"
  - b. T/Lower Brushy Canyon "A" Zone Structure Map.  
See Exhibit "E"
  - c. For the Carrasco "14" Well No. 4
    - i. NW-SE Structural Cross-Section Upper Brushy Canyon.  
See Exhibit "F"
    - ii. NW-SE Structural Cross-Section Lower Brushy Canyon  
See Exhibit "G"
  - c. For the South Culebra Bluff "23" Well No 15
    - i. NW-SE Structural Cross-Section Upper Brushy Canyon  
See Exhibit "H"
    - ii. NW-SE Structural Cross-Section Lower Brushy Canyon  
See Exhibit "I"



5. Volumetric Analysis for Carrasco 14 Well No. 4.  
(S/2NE/4 and N/2SE/4 of Section 14)
  - a. Based upon volumetric analysis this 160-acre tract contains a estimated 1,000 MBO to be recovered
  - b. The four existing off-setting wells are estimated to ultimately recover about 748 MBO
  - c. Leaving an estimated 252 MBO to be recovered by any infill wells
  - d. The proposed infill well is estimated to recover 120 MBO at an initial rate of about 150 barrels of oil per day

**See Exhibit "J"**
6. Volumetric Analysis for South Culebra Bluff "23" Well No. 15. (NE/4 Section 23)
  - a. Based upon volumetric analysis this 160-acre tract contains a estimated 1,414 MBO to be recovered
  - b. The four existing off-setting wells are estimated to ultimately recover about 379 MBO
  - c. Leaving an estimated 1,035 MBO to be recovered by any infill wells
  - d. The proposed infill well is estimated to recover 70 MBO at an initial rate of about 100 barrels of oil per day

**See Exhibit "K"**
7. The 4 existing wells in the S/2NE/4 and N/2SE/4 of Section 14 have a combined total allowable of 568 barrels of oil per day (142 x 4) with the original well in this 40-acre spacing unit (Unit J) currently producing about 32 barrels of oil per day (South Culebra Bluff Well No. 2)
8. The 4 existing wells in the NE/4 of Section 23 have a combined total allowable of 568 barrels of oil per day (142 x 4) with the original well in this 40-acre spacing unit (Unit H) currently producing about 6 barrels of oil per day (South Culebra "23" Well No. 12)

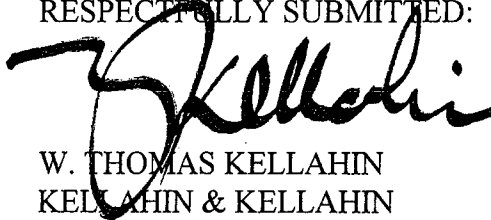
#### **NOTIFICATION AND WAIVERS**

9. RB, for administrative convenience, has selected to place each infill well within an existing spacing unit and requests approval for simultaneous dedication.

10. RB and Chesapeake Permian, L. P. are the only working interest owners affected and RB has contacted all royalty and overriding royalty interest owners affected and has obtained the consent of all owners.
11. RB has entered into an agreement with all these affected owners for the sharing of production for these 2 infill wells by creating a voluntary "Proposed Drilling Unit" consisting of 10-acres from each of the 40-acre spacing units in the quarter section. **See map attached as Exhibit "A" Attached and the two agreements attached as Exhibit "L-1" and Exhibit "L-2"**
12. In accordance with the Division's notice rules, copies of the application and notice of hearing will be sent to all the interest owners affected. **See Exhibit "M" and Exhibit "N" attached**

**WHEREFORE**, RB, as applicant, requests that, after notice and hearing, the Division enter its order approving these requested unorthodox well locations and simultaneous dedications.

RESPECTFULLY SUBMITTED:



W. THOMAS KELLAHIN  
KELLAHIN & KELLAHIN  
P. O. Box 2265  
Santa Fe, New Mexico 87504  
Telephone: (505) 982-4285  
Fax: (505) 982-2047



## DISTRICT I

1625 N. FRENCH DR., HOBBES, 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 JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name CARRASCO 14		Well Number 4
OGRID No.	Operator Name R.B. OPERATING		Elevation 2977'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	14	23-S	28-E		2630	SOUTH	1330	EAST	EDDY

## 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>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=474923.2 N X=586495.1 E</p> <p>LAT.=32°18'19.33" N LONG.=104°03'12.17" W</p>	<p>1330'</p>	
	<p>2630'</p>	
	<p>2630'</p>	
	<p>2630'</p>	
<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>		
<p><b>SURVEYOR CERTIFICATION</b></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>AUGUST 3, 2004</p> <p>Date Surveyed: REV: 08/20/04 JR</p> <p>Signature &amp; Seal of Professional Surveyor:</p> <p><i>Ronald J. Eidson</i> 8/20/04</p> <p>04.11.0997</p> <p>Certificate No. RONALD J. EIDSON 3239</p>		

EXHIBIT  
B-1

## DISTRICT I

1025 N. FRENCH DR., HOBBS, NM 58240

## DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 58210

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

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

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name CARRASCO 14	Well Number 4
OGRD No.	Operator Name R.B. OPERATING	Elevation 2977'

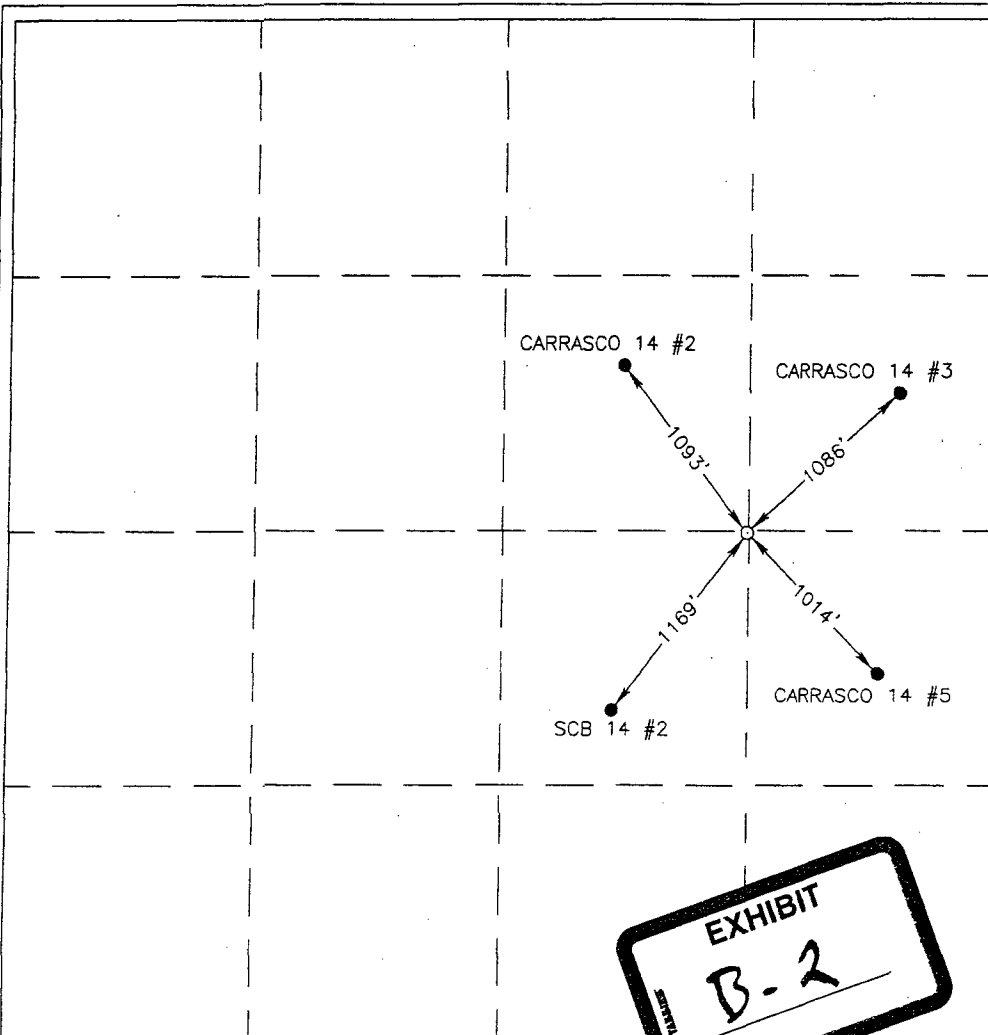
## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	14	23-S	28-E		2630	SOUTH	1330	EAST	EDDY

## 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 the the information  
contained herein is true and complete to the  
best of my knowledge and belief.

Signature

Printed Name

Title

Date

## 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.

AUGUST 3, 2004

Date Surveyed REV: 08/20/04 JR

Signature & Seal of  
Professional Surveyor

04.11.0997

Certificate No. RONALD J. EIDSON 3239

EXHIBIT  
B-2

## DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

## DISTRICT II

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## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

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

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name SCB 23	Well Number 15
OGRID No.	Operator Name R.B. OPERATING	Elevation 2989'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	23	23-S	28-E		1430'	NORTH	1150'	EAST	EDDY

## 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>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=470865.0 N X=586666.3 E</p> <p>LAT.=32°17'39.17" N LONG.=104°03'10.30" W</p>		<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>
		<p><b>SURVEYOR CERTIFICATION</b></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>AUGUST 2, 2004</p> <p>Date Surveyed _____ JR</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>Ronald J. Edson</i> 8/11/04</p> <p>04.11.0896</p> <p>Certificate No. RONALD J. EDSON 3239</p>

EXHIBIT

C-1

## DISTRICT I

1826 N. FRENCH DR., HOBBBS, NM 88240

## DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

## DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

## DISTRICT IV

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

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Santa Fe, New Mexico 87505

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name SCB 23	Well Number 15
OGRID No.	Operator Name R.B. OPERATING	Elevation 2989'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	23	23-S	28-E		1430'	NORTH	1150'	EAST	EDDY

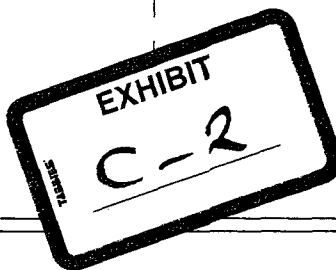
## Bottom Hole Location If Different From Surface

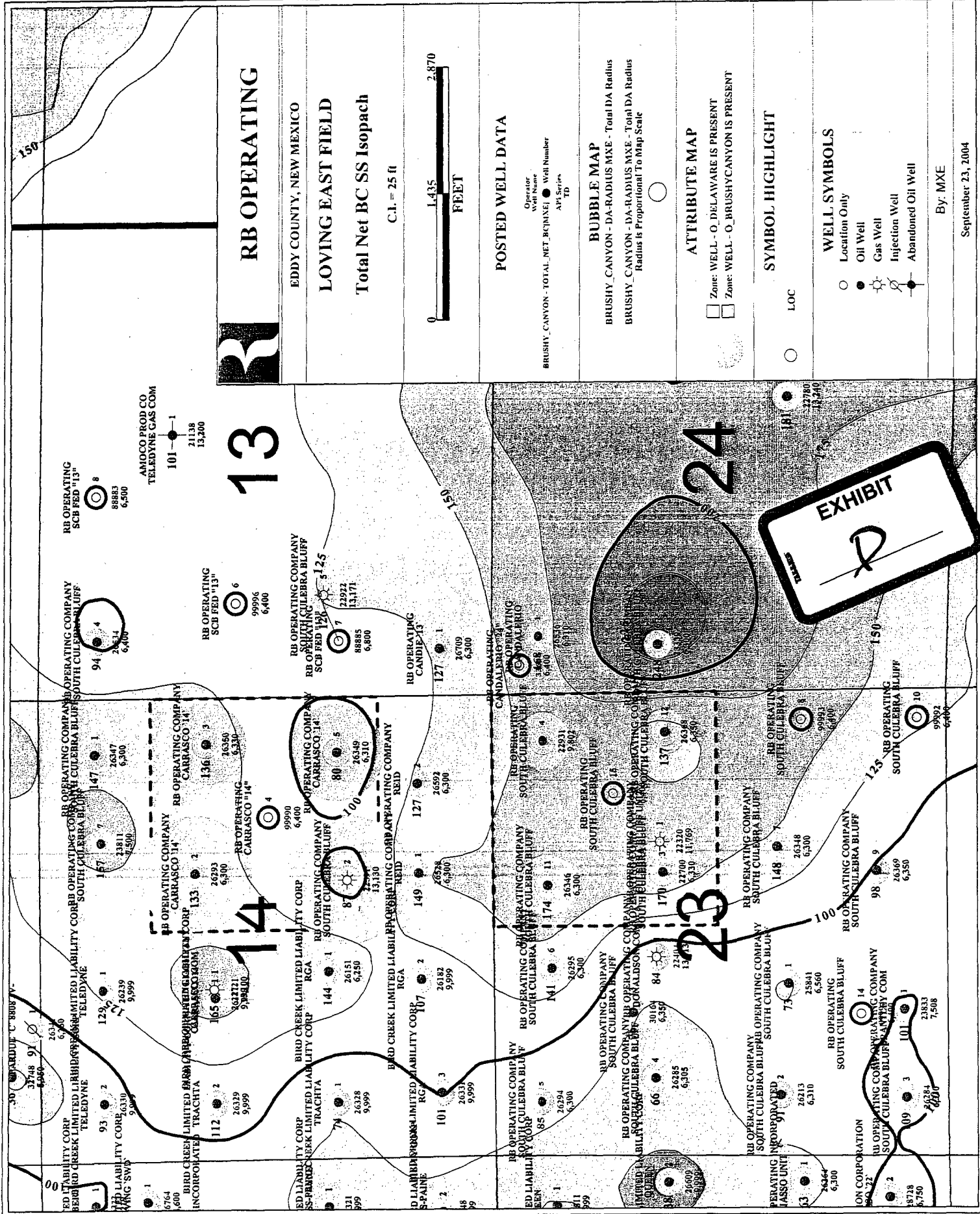
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

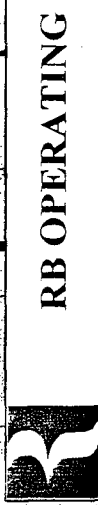
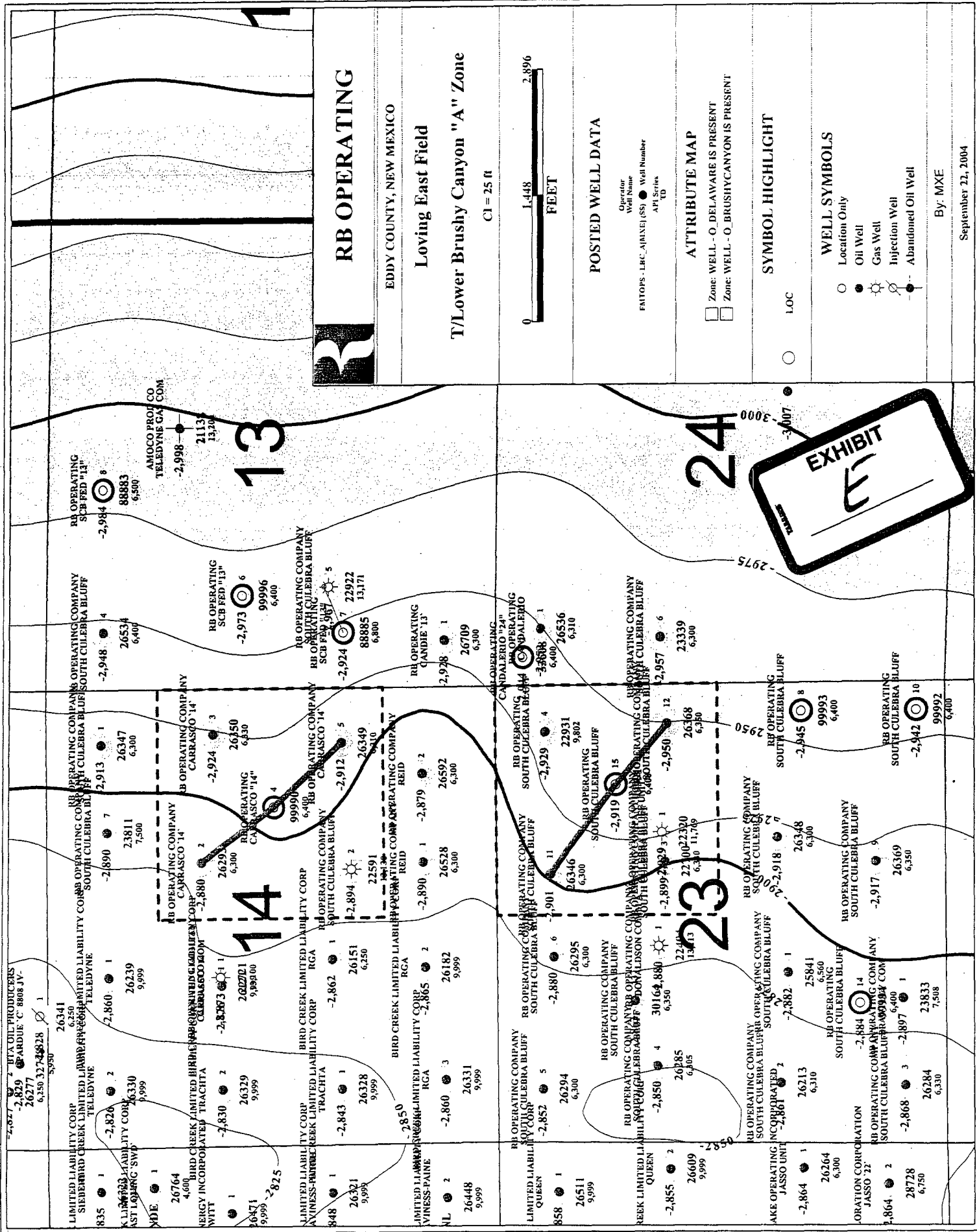
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature _____  Printed Name _____  Title _____  Date _____
	<b>SURVEYOR CERTIFICATION</b>  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.  AUGUST 2, 2004  Date Surveyed _____ JR Signature & Seal of Professional Surveyor _____
	04.11.0896
	Certificate No. RONALD J. EIDSON 3239









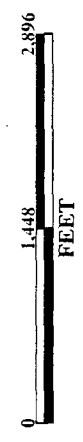
# RB OPERATING

EDDY COUNTY, NEW MEXICO

## Loving East Field

T/Lower Brushy Canyon "A" Zone

CI = 25 ft



### POSTED WELL DATA

Operator  
Well Name  
FATOPS - LRC - API#(S) ● Well Number  
API Series  
TD

### ATTRIBUTE MAP

☐ Zone: WELL - O - DELAWARE IS PRESENT  
☐ Zone: WELL - O - BRUSHY CANYON IS PRESENT

### SYMBOL HIGHLIGHT

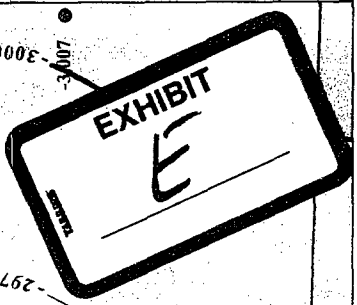
LOC

### WELL SYMBOLS

- Location Only
- Oil Well
- ⊙ Gas Well
- ⊙ Injection Well
- ⊙ Abandoned Oil Well

By: MXE

September 22, 2004



# NW-SE STRUCTURAL CROSS-SECTION

## Carrasco "14" No. 4 Location

RB OPERATING COMPANY  
CARRASCO "14"

NW  
2  
26293

<1.067FT>

RB OPERATING  
CARRASCO "14"

4  
99990

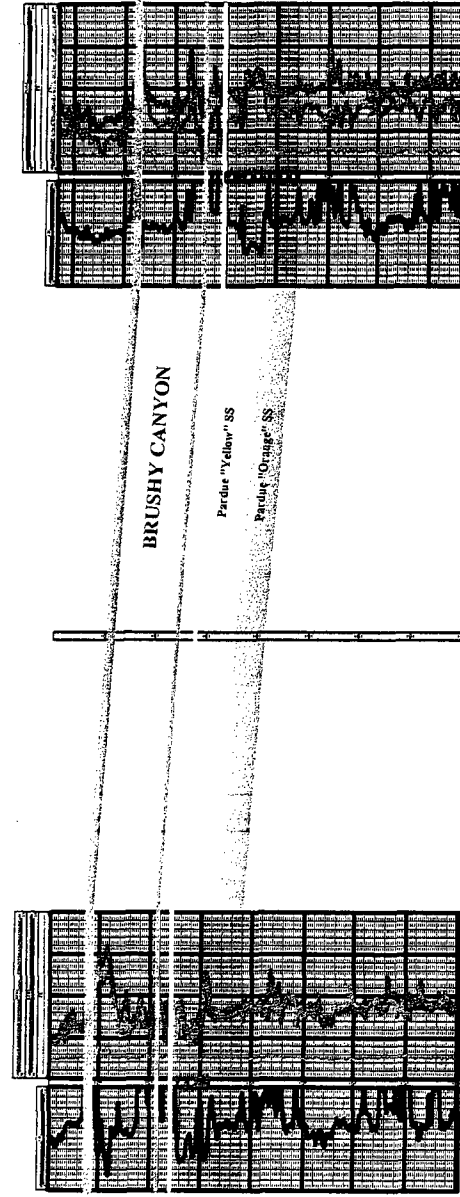
<1.091FT>

RB OPERATING COMPANY  
CARRASCO "14"

5  
26349

SE

Subsea  
Depth  
-1600 -  
-1650 -  
-1700 -  
-1750 -  
-1800 -  
-1850 -  
-1900 -  
-1950 -  
-2000 -

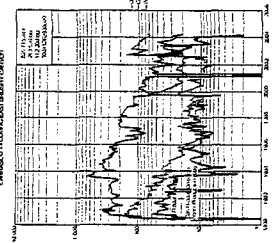


IPF: 606 MCFG, 398 BO, & 398 BWD  
(590)

Re-Completed to "A", "B", & "C"  
IPF: 102 MCFG, 398 BO, & 398 BWD  
(1000)

Re-Completed to "Parade"  
IPF: 118 MCFG, 398 BO, & 398 BWD  
(902)

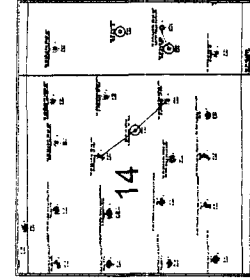
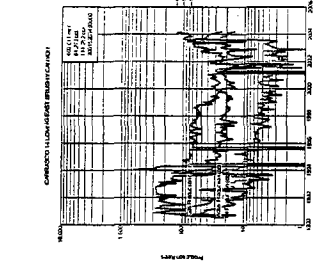
CARRASCO 11/04/2004 BRUSHY CANYON



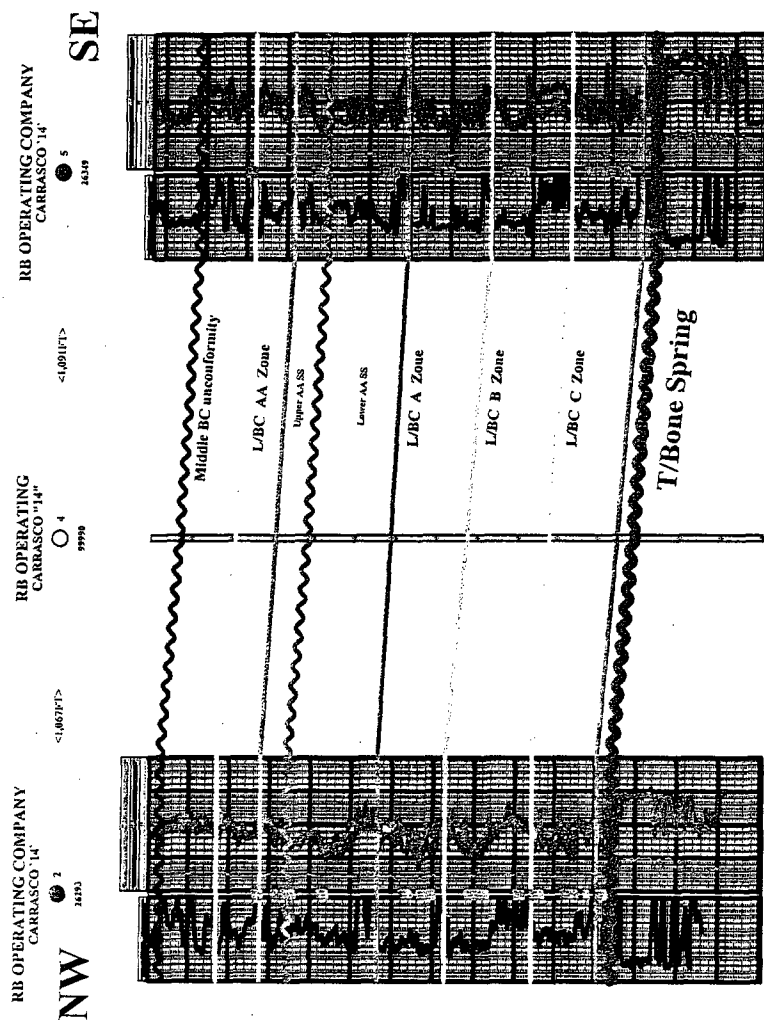
IPF: 118 MCFG, 121 BO, & 128 BWD  
(790)

Re-Completed to "Parade"  
IPF: 55 MCFG, 98 BO, & 100 BWD  
(803)

CARRASCO 11/04/2004 BRUSHY CANYON



# NW-SE STRUCTURAL CROSS-SECTION Carrasco "14" No. 4 Location



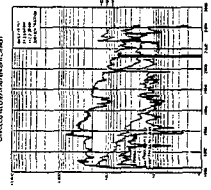
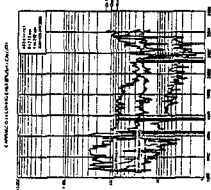
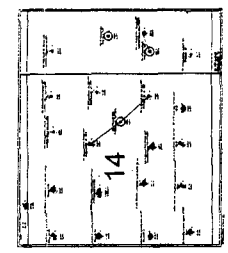
Subsea Depth  
-2600  
-2650  
-2700  
-2750  
-2800  
-2850  
-2900  
-2950  
-3000  
-3050  
-3100  
-3150  
-3200  
-3250  
-3300  
-3350

RB OPERATING COMPANY  
CARRASCO "14"  
NW  
2  
2638

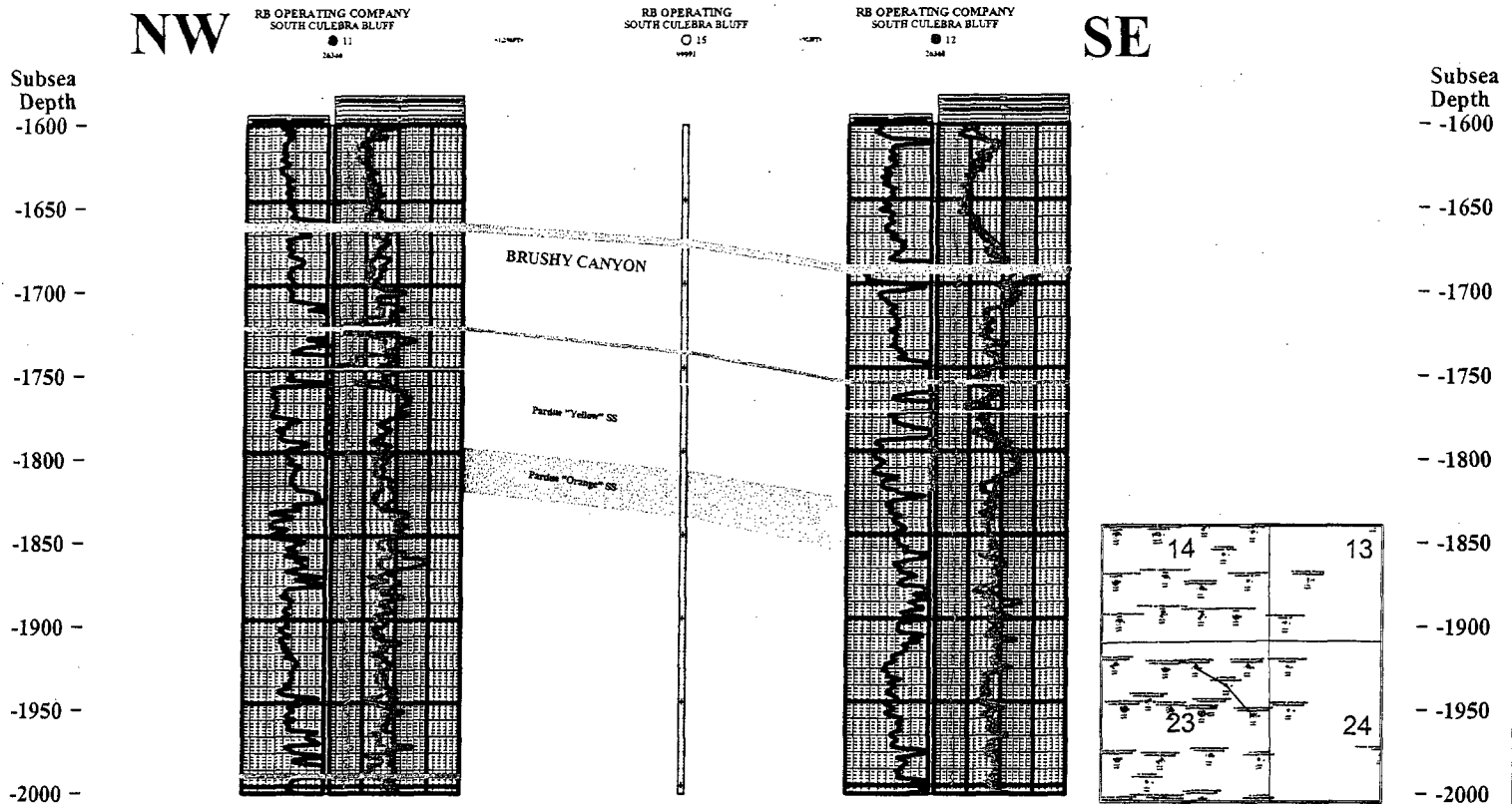
RB OPERATING COMPANY  
CARRASCO "14"  
SE  
5  
2638

IPP: 18 ACTG, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

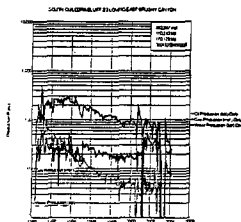
IPP: 18 ACTG, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100



# NW-SE STRUCTURAL CROSS-SECTION South Culebra Bluff "23" No. 15

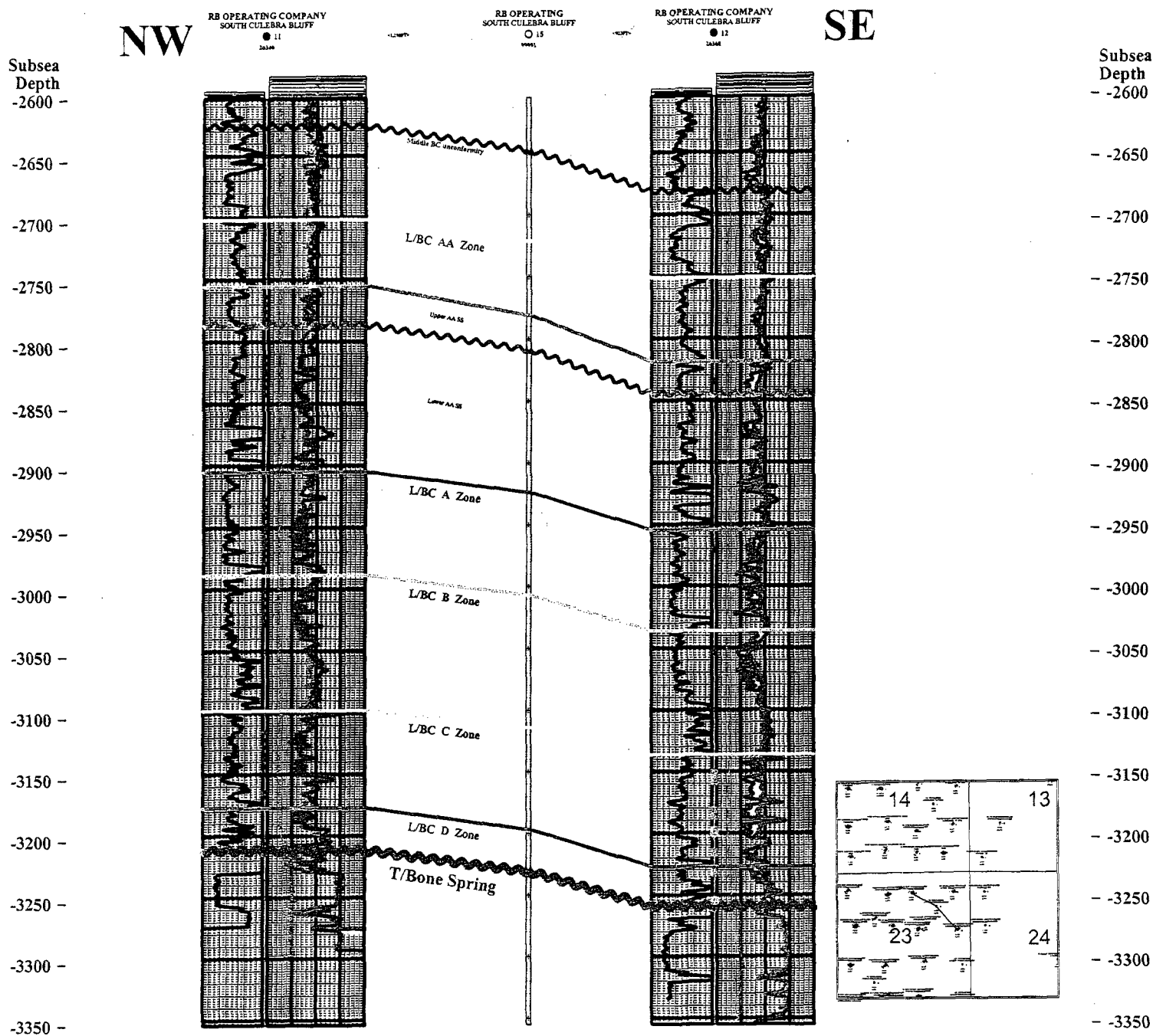


Re-Completed to Pardue  
IPP: 30 MCFG, 29 BO, & 97 BW/D  
(7/03)



# NW-SE STRUCTURAL CROSS-SECTION

South Culebra Bluff "23" No. 15 Location



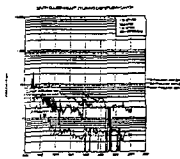
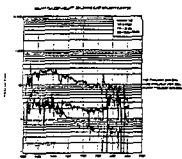
IPF: 204 MCFG, 140 BO, & 130 BW/D  
(5/90)

Re-Completed to "AA"  
IPP: 30 MCFG, 6 BO, & 190 BW/D  
(9/00)

Re-Completed to "Pardue"  
IPP: 30 MCFG, 29 BO, & 97 BW/D  
(7/03)

IPF: 93 MCFG, 90 BO, & 150 BW/D  
(7/90)

Re-Completed to "AA", "A", & "B"  
(7/04)



**LOVING EAST FIELD  
PROPOSED CARRASCO 14#4  
EDDY COUNTY, NEW MEXICO**

**DELAWARE VOLUMETRIC ANALYSIS**

**PARAMETERS**

Average Porosity, %	16.0
Connate Water Saturation, %	49.0
Initial Pressure, psia	2,615
Reservoir Temperature, deg. R	575
Formation Volume Factor	1.34

<b>OIL IN PLACE, BBLS/A-F</b> <b>(7758 x por x (1-Sw) *1/Bo)</b>	<b>472</b>
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<b>OIL IN PLACE, MBBLS</b>	<b>9,087</b>
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Recovery Factor, %	11
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<b>ULTIMATE OIL RECOVERY, BBLS/A-F</b>	<b>52</b>
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**BULK RESERVOIR VOLUME**

Productive Acres	163
Average Pay Thickness, ft.	118
Unit Productive Volume, A-F	19,234

<b>ULTIMATE RECOVERABLE OIL, MBBLS</b>	<b>1,000</b>
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<b>OIL RESERVES RECOVERABLE BY EXISTING WELLS</b>	<b>MBO</b>
---	------------

Carrasco 14#2	300
Carrasco 14#3	125
Carrasco 14#5	94
SCB #2B	229
<b>TOTAL RESERVES BY EXISTING WELLS</b>	<b>748</b>

<b>OIL RESERVES NOT RECOVERABLE BY EXISTING WELLS IN TRACT</b>	<b>252</b>
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**LOVING EAST FIELD  
PROPOSED SCB 23#15  
EDDY COUNTY, NEW MEXICO**

**DELAWARE VOLUMETRIC ANALYSIS**

**PARAMETERS**

Average Porosity, %	17.0
Connate Water Saturation, %	48.0
Initial Pressure, psia	2,615
Reservoir Temperature, deg. R	575
Formation Volume Factor	1.34

<b>OIL IN PLACE, BBLS/A-F (7758 x por x (1-Sw) *1/Bo)</b>	<b>512</b>
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<b>OIL IN PLACE, MBBLs</b>	<b>12,856</b>
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Recovery Factor, %	11
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<b>ULTIMATE OIL RECOVERY, BBLS/A-F</b>	<b>56</b>
--	-----------

**BULK RESERVOIR VOLUME**

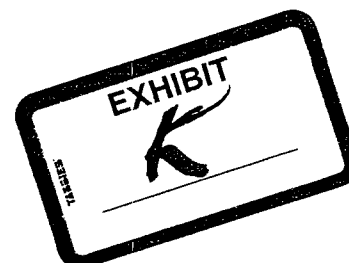
Productive Acres	160
Average Pay Thickness, ft.	157
Unit Productive Volume, A-F	25,120

<b>ULTIMATE RECOVERABLE OIL, MBBLs</b>	<b>1,414</b>
--	--------------

<b>OIL RESERVES RECOVERABLE BY EXISTING WELLS</b>	<b>MBO</b>
---	------------

SCB #4B	95
SCB 23#11	112
SCB #3B	124
SCB 23#12	48
<b>TOTAL RESERVES BY EXISTING WELLS</b>	<b>379</b>

<b>OIL RESERVES NOT RECOVERABLE BY EXISTING WELLS IN TRACT</b>	<b>1,035</b>
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**COOPERATIVE AGREEMENT**  
**(Carrasco "14" #4 Well, Eddy County, NM)**

This Agreement is between the parties set out on the Exhibit "A" attached hereto, hereinafter being referred to as "the Parties".

**WHEREAS**, The Parties own royalty, working interests and other leasehold interests in the existing production units of the Carrasco "14" #2 Well (Tract 1), Carrasco "14" #3 Well (Tract 2), South Culebra Bluff #2B Well (Tract 3) and the Carrasco "14" #5 Well (Tract 4) located in Section 14, T23S, R28E, Eddy County, NM; and

**WHEREAS**, RB Operating Company is desirous of drilling the Carrasco "14" #4 well located between the four wells set out above. Because this well is considered an "increased density well", it can not be drilled without the prior approval of the New Mexico Oil Conservation Division; and

**WHEREAS**, the Parties are desirous of reducing to writing their mutual consent and approval to allow RB Operating Company the right to drill the Carrasco "14" #4 well within the proposed drilling unit.

**NOW, THEREFORE**, for the adequate, mutual and reciprocal considerations hereinafter set forth, the Parties hereby agree as follows:

1. The lands covered by this Agreement the ("Proposed Drilling Unit") are depicted on the Plat attached to this Agreement as Exhibit "C," and are described as follows:

All of the SW/4 SE/4 NE/4, SE/4 SW/4 NE/4, NW/4 NE/4 SE/4 & NE/4 NW/4 SE/4 of Section 14, T23S, R28E, Eddy County, NM containing forty (40) acres, more or less.

2. The ownership of the royalty, working interests and other leasehold interests in the Proposed Drilling Unit is set out on the Exhibit "B" attached hereto. This Agreement shall not have any affect on the respective ownership of the royalty, working interests and other leasehold interests in the existing wells in Tracts 1 thru 4 set out on the Exhibit "C" attached hereto.
3. The Parties hereby mutually approve the drilling of the Carrasco "14" #4 well within the proposed drilling unit.
4. RB Operating will make a diligent effort to obtain the approval to drill the Carrasco "14" #4 well from the New Mexico Oil Conservation Division.
5. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of the existing Operating Agreement.
6. In the event the Carrasco "14" #4 well has not been spudded by July 1, 2005, this agreement shall expire.
7. This agreement shall not amend any existing agreements covering the Proposed Drilling Unit, including, but not limited to, the Operating Agreement, Oil and Gas Leases, Division Orders, etc.
8. This Agreement shall become effective upon the proper execution and approval of one-hundred percent (100%) of the Parties.

**EXHIBIT**

**C-1**



9. This Agreement shall be binding on the Parties and shall extend to and be binding on their respective heirs, executors, administrators, successors, and assigns.
10. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring to it, and shall be binding on all Parties who have executed a counterpart, ratification or consent with the same force and effect as if all Parties had signed the same document.

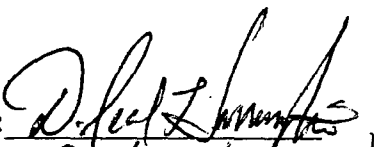
The Parties have executed this 22<sup>nd</sup> day of September, 2004, however, shall not become effective upon the proper execution and approval of one-hundred percent (100%) of the Parties.

#### WORKING INTEREST OWNERS

Chesapeake Permian, L. P.

By: \_\_\_\_\_  
Name:  
Title:

RB Operating Company

By:   
Name: D. NEAL HARRINGTON  
Title: VP LAND

#### OVERRIDING ROYALTY INTEREST OWNERS

\_\_\_\_\_  
Robert H. Northington

Wells Fargo F. B. O. Donald Paape

By: \_\_\_\_\_  
Name:  
Title:

### Individual Acknowledgement

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

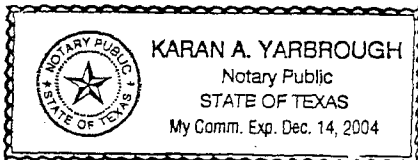
\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

### Corporate Acknowledgement

STATE OF Texas §

COUNTY OF Tarrant §

This instrument was acknowledged before me on the 22nd day of September, 2004, by D. Neal Harrington, Vice President of R.B. Operating Company, a Delaware corporation, on behalf of said corporation.



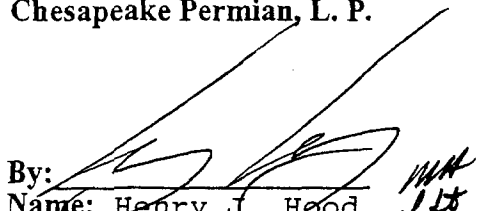
Karan A. Yarbrough  
Notary Public in and for the State of  
Texas.

9. This Agreement shall be binding on the Parties and shall extend to and be binding on their respective heirs, executors, administrators, successors, and assigns.
10. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring to it, and shall be binding on all Parties who have executed a counterpart, ratification or consent with the same force and effect as if all Parties had signed the same document.

The Parties have executed this 28<sup>th</sup> day of July, 2004, however, shall not become effective upon the proper execution and approval of one-hundred percent (100%) of the Parties.

**WORKING INTEREST OWNERS**

**Chesapeake Permian, L. P.**

By:   
Name: Henry J. Hood  
Title: Senior Vice President - Land and Legal  
of Chesapeake Operating, Inc.  
General Partner of Chesapeake Permian, LP

**RB Operating Company**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**OVERRIDING ROYALTY INTEREST OWNERS**

Robert H. Northington

**Wells Fargo F. B. O. Donald Paape**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Individual Acknowledgement

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

Corporatate Acknowledgement

STATE OF Oklahoma §

COUNTY OF Grady §

This instrument was acknowledged before me on the 28<sup>th</sup> day of July, 2004, by Henry J. Hood, Senior Vice Pres. - Land and Legal of Chesapeake Operating, Inc., General Partner of Chesapeake, a(n) Oklahoma corporation, on behalf of said corporation.  
Permian, LP



Tami R. Brody  
Notary Public in and for the State of  
Oklahoma.

## COMMUNITIZATION AGREEMENT

(South Culebra Bluff "23" #15 Well, Eddy County, NM)

This Agreement is between the parties set out on the Exhibit "A" attached hereto, hereinafter being referred to as "the Parties".

**WHEREAS**, The Parties own royalty, working interests and other leasehold interests in the existing production units of the South Culebra Bluff "23" #11 Well (Tract 1), South Culebra Bluff #4B Well (Tract 2), South Culebra Bluff #3B Well (Tract 3) and the South Culebra Bluff "23" #12 Well (Tract 4) located in Section 23, T23S, R28E, Eddy County, NM; and

**WHEREAS**, RB Operating Company is desirous of drilling the South Culebra Bluff "23" #15 well located between the four wells set out above. Because this well is considered an "increased density well", it can not be drilled without the prior approval of the New Mexico Oil Conservation Division; and

**WHEREAS**, the Parties are desirous of reducing to writing their mutual consent and approval to allow RB Operating Company the right to drill the South Culebra Bluff "23" #15 well within the proposed drilling unit.

**NOW, THEREFORE**, for the adequate, mutual and reciprocal considerations hereinafter set forth, the Parties hereby agree as follows:

1. The lands covered by this Agreement (the "Proposed Drilling Unit") are depicted on the plat attached to this Agreement as Exhibit "C," and are described as follows:

All of the SW/4 NE/4 NE/4, SE/4 NW/4 NE/4, NW/4 SE/4 NE/4 & NE/4 SW/4 NE/4 of Section 23, T23S, R28E, Eddy County, NM containing forty (40) acres, more or less, limited in depth as to the Delaware Mountain Group at a depth of 2,630 feet to 6,249 feet as found in the South Culebra Bluff #4B well located 560' FEL & 660' FNL of Section 23, T23S, R28E, Eddy County, NM (hereinafter referred to as the "Communitized Lands").

2. The Parties hereby mutually approve the drilling of the South Culebra Bluff "23" #15 well within the Proposed Drilling Unit, and agree to communitize and pool their respective mineral and leasehold interests in the Communitized Lands for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this Agreement.
3. The Parties agree as to the ownership of the royalty, working interests and other leasehold interests in the Proposed Drilling Unit is as set out on the Exhibit "B" attached hereto. This Agreement shall not have any affect on the respective ownership of the royalty, working interests and other leasehold interests in the existing wells in Tracts 1 thru 4 set out on the Exhibit "C" attached hereto.
4. This Agreement shall not be construed as a cross conveyance, but as a stipulation of ownership between the Parties in and to the oil and gas produced from the well. It shall remain in force and effect for so long as oil and/or gas is being produced from the Communitized Lands.
5. RB Operating will make a diligent effort to obtain the approval to drill the South Culebra Bluff "23" #15 well from the New Mexico Oil Conservation Division.

EXHIBIT

C-2

6. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of the existing Operating Agreement.
7. In the event the South Culebra Bluff "23" #15 well has not been spudded by July 1, 2005, this agreement shall expire.
8. This agreement shall not amend any existing agreements covering the Proposed Drilling Unit, including, but not limited to, the Operating Agreement, Oil and Gas Leases, Division Orders, etc.
9. This Agreement shall become effective upon the proper execution and approval of one-hundred percent (100%) of the Parties.
10. The covenants in this Agreement shall be construed to be covenants running with the land with respect to the communitized interests of the Parties and their successors in interests until this Agreement terminates. Any grant, transfer, or conveyance of any land or interest subject to this Agreement, whether voluntary or not, shall be and is conditioned on the assumption of all obligations of this Agreement by the grantee, transferee, or other successor in interest.
11. This Agreement shall be binding on the Parties and shall extend to and be binding on their respective heirs, executors, administrators, successors, and assigns.
12. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring to it, and shall be binding on all Parties who have executed a counterpart, ratification or consent with the same force and effect as if all Parties had signed the same document.

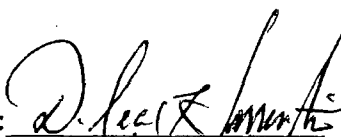
The Parties have executed this 22 day of September, 2004, however, shall not become effective upon the proper execution and approval of one-hundred percent (100%) of the Parties.

**WORKING INTEREST OWNERS**

**Chesapeake Permian, L. P.**

By: \_\_\_\_\_  
Name:  
Title:

**RB Operating Company**

By:   
Name: D. NENE HARRINGTON  
Title: VP LAND

6. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of the existing Operating Agreement.
7. In the event the South Culebra Bluff "23" #15 well has not been spudded by July 1, 2005, this agreement shall expire.
8. This agreement shall not amend any existing agreements covering the Proposed Drilling Unit, including, but not limited to, the Operating Agreement, Oil and Gas Leases, Division Orders, etc.
9. This Agreement shall become effective upon the proper execution and approval of one-hundred percent (100%) of the Parties.
10. The covenants in this Agreement shall be construed to be covenants running with the land with respect to the communitized interests of the Parties and their successors in interests until this Agreement terminates. Any grant, transfer, or conveyance of any land or interest subject to this Agreement, whether voluntary or not, shall be and is conditioned on the assumption of all obligations of this Agreement by the grantee, transferee, or other successor in interest.
11. This Agreement shall be binding on the Parties and shall extend to and be binding on their respective heirs, executors, administrators, successors, and assigns.
12. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring to it, and shall be binding on all Parties who have executed a counterpart, ratification or consent with the same force and effect as if all Parties had signed the same document.

The Parties have executed this 28<sup>th</sup> day of July, 2004, however, shall not become effective upon the proper execution and approval of one-hundred percent (100%) of the Parties.

#### WORKING INTEREST OWNERS

Chesapeake Permian, L. P.

By: 

Name: Henry J. Hood

Title: Senior Vice President - Land and Legal  
of Chesapeake Operating, Inc.

General Partner of Chesapeake Permian, LP

RB Operating Company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

attached to and made a part of that certain Cooperative Agreement by and between RB Operating Company, et al.

**Exhibit "A"**

**Carrasco "14" #2 Well (Tract 1), Carrasco "14" #3 Well (Tract 2), South Culebra Bluff #2B  
Well (Tract 3) & Carrasco "14" #5 Well (Tract 4)**

<b>Owner Name</b>	<b>Working Interest</b>	<b>Net Revenue Interest</b>
Chesapeake Permian, L. P.	0.50000000	0.40798611
RB Operating Company	0.50000000	0.40507311
Esther Lee Baker Trust		0.03437500
Candelario Carrasco, Jr. and Emma Carrasco		0.02343750
Robert H. Northington *		0.00036309
Wells Fargo F. B. O. Donald Paape *		0.00254991
Celia C. Valdez		0.00585938
Bogle Oil, Inc.		0.01953125
Richard and Dea Holesapple		0.00390625
Marsha Kantor		0.00347222
Renee Ann Levine-Blonder		0.00187500
Darrin M. Margulies Trust created under the Grover Trust Agreement dated 10-15-86, as amended		0.00187500
Marc Kantor		0.00347223
Joe A. Clem		0.00585937
John E. Clem		0.00585937
Geraldine Clem Bolen		0.00390626
Janice Clem Pace		0.00390625
Judith Hamilton Fuhr		0.00390625
Emil Berger		0.01388889
Solomon N. Grover Trust Agreement dated 10/10/2000		0.00937500
Concepcion Onsurez		0.00585937
Shayna Levine-Hoffman		0.00187500
Dale Goldman		0.00347222
William Kantor, M.D.		0.00347222
Wife's Trust created under the David L. & Gloria G. Margulies Trust Agreement dated 10-31-2000		0.00937500
Julee Margulies-Metz		0.00187500
Melinda Thompson		0.00292969
Corina C. Urquidez		0.00585937
Danielle Levine-Baum		0.00187500
Greg Martinez, Jr.		0.00292969
<b>Totals</b>	<b>1.00000000</b>	<b>1.00000000</b>

\* Overriding Royalty Interest





attached to and made a part of that certain Cooperative Agreement by and between RB Operating Company, et al.

**Exhibit "B"**

**Carrasco "14" #4 Well (Proposed Drilling Unit)**

<b>Owner Name</b>	<b>Working Interest</b>	<b>Net Revenue Interest</b>
Chesapeake Permian, L. P.	0.50000000	0.40798611
RB Operating Company	0.50000000	0.40507311
Esther Lee Baker Trust		0.03437500
Candelario Carrasco, Jr. and Emma Carrasco		0.02343750
Robert H. Northington *		0.00036309
Wells Fargo F. B. O. Donald Paape *		0.00254991
Celia C. Valdez		0.00585938
Bogle Oil, Inc.		0.01953125
Richard and Dea Holesapple		0.00390625
Marsha Kantor		0.00347222
Renee Ann Levine-Blonder		0.00187500
Darrin M. Margulies Trust created under the Grover Trust Agreement dated 10-15-86, as amended		0.00187500
Marc Kantor		0.00347223
Joe A. Clem		0.00585937
John E. Clem		0.00585937
Geraldine Clem Bolen		0.00390626
Janice Clem Pace		0.00390625
Judith Hamilton Fuhr		0.00390625
Emil Berger		0.01388889
Solomon N. Grover Trust Agreement dated 10/10/2000		0.00937500
Concepcion Onsurez		0.00585937
Shayna Levine-Hoffman		0.00187500
Dale Goldman		0.00347222
William Kantor, M.D.		0.00347222
Wife's Trust created under the David L. & Gloria G. Margulies Trust Agreement dated 10-31-2000		0.00937500
Julee Margulies-Metz		0.00187500
Melinda Thompson		0.00292969
Corina C. Urquidez		0.00585937
Danielle Levine-Baum		0.00187500
Greg Martinez, Jr.		0.00292969
<b>Totals</b>	<b>1.00000000</b>	<b>1.00000000</b>

\* Overriding Royalty Interest



**Exhibit "A"**

**South Culebra Bluff "23" #11 Well (Tract 1) & South Culebra Bluff #3B Well (Tract 3)**

Owner Name	Working Interest	Net Revenue Interest
Chesapeake Permian, L. P.	0.50000000	0.40625000
RB Operating Company	0.50000000	0.40371094
Wells Fargo F. B. O. Donald Paape *		0.00253906
Johnny L. Reid and Jackie L. Reid		0.18750000
<b>Totals</b>	<b>1.00000000</b>	<b>1.00000000</b>

**South Culebra Bluff #4B Well (Tract 2) & South Culebra Bluff "23" #12 Well (Tract 4)**

Owner Name	Working Interest	Net Revenue Interest
Chesapeake Permian, L. P.	0.50000000	0.40625000
RB Operating Company	0.50000000	0.40371094
Wells Fargo F. B. O. Donald Paape *		0.00253906
Stennis Family Trust		0.18750000
<b>Totals</b>	<b>1.00000000</b>	<b>1.00000000</b>

\* Overriding Royalty Interest



ached to and made a part of that certain Communitization Agreement by and between RB Operating Company, et al.

**Exhibit "B"**

**South Culebra Bluff "23" #15 Well (Proposed Drilling Unit)**

Owner Name	Working Interest	Net Revenue Interest
Chesapeake Permian, L. P.	0.50000000	0.40625000
RB Operating Company	0.50000000	0.40371094
Wells Fargo F. B. O. Donald Paape *		0.00253906
Stennis Family Trust **		0.09375000
Johnny L. Reid and Jackie L. Reid ***		0.09375000
<b>Totals</b>	<b>1.00000000</b>	<b>1.00000000</b>

\* Overriding Royalty Interest

\*\* Surface Owner (E/2 NE/4 of Section 23)

\*\*\* Surface Owner (W/2 NE/4 of Section 23)



ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



### 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 \_\_\_\_\_

2004 SEP 28 PM 1 44

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

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[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.

Print or Type Name

Signature

KELLAHIN & KELLAHIN

Attorneys At Law

P.O. Box 2265

Santa Fe, NM 87504-2265

Date

9/27/04

**KELLAHIN & KELLAHIN**  
**Attorney at Law**

**W. Thomas Kellahin**  
Recognized Specialist in the Area of  
Natural Resources-oil and gas law-  
New Mexico Board of Legal Specialization

P.O. Box 2265  
Santa Fe, New Mexico 87504  
117 North Guadalupe  
Santa Fe, New Mexico 87501

Telephone 505-982-4285  
Facsimile 505-982-2047  
kellahin@earthlink.net

September 28, 2004

**HAND DELIVERED**

Mr. Mark E. Fesmire, Director  
Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: Administrative Application of RB Operating Company  
for approval of two unorthodox oil well locations  
and simultaneous dedication,  
East Loving-Brushy Canyon Pool,  
Eddy County, New Mexico

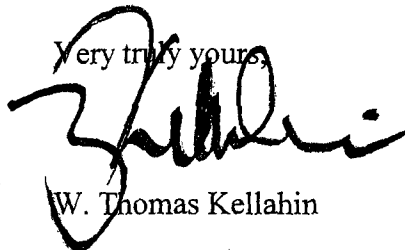
(1) Carrasco "14" Well No. 4  
2630 feet FSL and 1330 feet FEL (Unit J)  
Section 14, T23S, R28E

(2) South Culebra Bluff "23" Well No. 15  
1430 feet FNL and 1150 feet FEL (Unit H)  
Section 23, T23S, R28E

Dear Mr. Fesmire:

On behalf of RB Operating Company, please find enclosed our referenced  
administrative application.

Very truly yours,



W. Thomas Kellahin

cc: RB Operating Company  
Attn: Bobby Ebeier

2004 SEP 28 PM 1 44

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

**IN THE MATTER OF THE ADMINISTRATIVE APPLICATION  
OF RB OPERATING COMPANY FOR TWO UNORTHODOX OIL  
WELL LOCATIONS AND TWO SIMULTANEOUS DEDICATIONS,  
EDDY COUNTY, NEW MEXICO.**

**ADMINISTRATIVE APPLICATION**

RB OPERATING COMPANY ("RB") by its attorneys, Kellahin & Kellahin, seeks an order authorizing the drilling and production of its Carrasco "14" Well No. 4 at an unorthodox well location 2630 feet FSL and 1330 feet FEL (Unit J) Section 14, T23S, R28E and its South Culebra Bluff "23" Well No. 15 at an unorthodox well location 1430 feet FNL and 1150 feet FEL (Unit H) Section 23, T23S, R28E and to simultaneously dedicate each to be a different standard 40-acre oil spacing unit for production from the East Loving-Brushy Canyon Pool.

In support of its application RB states:

1. RB proposes to drill the following two wells each at an unorthodox oil well location and to simultaneously dedicate each to a different standard 40-acre spacing unit as follows:
  - a. Its Carrasco "14" Well No. 4 to be drilled at an unorthodox oil well location 2630 feet FSL and 1330 feet FEL (Unit J) Section 14, T23S, R28E and to simultaneously dedicate it along with the South Culebra Bluff Well No. 2, (API 30-015-22591) a producing oil well located 1722 feet FSL and 2032 feet FEL (Unit J) Section 14, T23S, R28E. **See locator map attached as Exhibit "A" and C-102s attached as Exhibit "B"**
  - b. its South Culebra Bluff "23" Well No. 15 to be drilled at an unorthodox oil well location 1430 feet FNL and 1150 feet FEL (Unit H) Section 23, T23S, R28E and to simultaneously dedicate it along with the South Culebra Bluff "23" Well No. 12 (API 30-015-26368) a producing oil well located 2140 feet FNL and 400 feet FEL (Unit H) Section 23, T23S, R28E. **See locator map attached as Exhibit "A" and C-102s attached as Exhibit "C"**

NMOCD Administrative Application

RB Operating Company

-Page 2-

2. These spacing units are subject to the East Loving-Brushy Canyon Pool including, among other things, 40-acre oil spacing with wells located not closer than 330 feet to the side boundaries and a special limiting gas/oil ratio of 8,000 cubic feet of gas per barrel of oil produced.
3. As a result of development in accordance with Division rules, each of these two governmental quarter-section contains 4 oil wells that may have by passed recoverable oil that now can be recovered by adding a new well at the approximate center of each quarter section. In order to test this probability, RB proposes to drill these two infill wells. **See locator map attached as Exhibit "A"**
4. RB, based upon geologic data, believes that its proposed unorthodox well locations will provide better opportunities to access potential production in the Brushy Canyon interval of the Delaware formation that cannot be produced by the other wells within this spacing unit or adjacent spacing units.

a. Isopach of Brushy Canyon interval "Total Net BC SS"  
See Exhibit "D"

b. T/Lower Brushy Canyon "A" Zone Structure Map.  
See Exhibit "E"

- c. For the Carrasco "14" Well No. 4
- i. NW-SE Structural Cross-Section Upper Brushy Canyon.  
See Exhibit "F"
  - ii. NW-SE Structural Cross-Section Lower Brushy Canyon  
See Exhibit "G"

- c. For the South Culebra Bluff "23" Well No 15
- i. NW-SE Structural Cross-Section Upper Brushy Canyon  
See Exhibit "H"
  - ii. NW-SE Structural Cross-Section Lower Brushy Canyon  
See Exhibit "I"

5. Volumetric Analysis for Carrasco 14 Well No. 4.  
(S/2NE/4 and N/2SE/4 of Section 14)
- Based upon volumetric analysis this 160-acre tract contains a estimated 1,000 MBO to be recovered
  - The four existing off-setting wells are estimated to ultimately recover about 748 MBO
  - Leaving an estimated 252 MBO to be recovered by any infill wells
  - The proposed infill well is estimated to recover 120 MBO at an initial rate of about 150 barrels of oil per day

**See Exhibit "J"**

6. Volumetric Analysis for South Culebra Bluff "23" Well No. 15. (NE/4 Section 23)
- Based upon volumetric analysis this 160-acre tract contains a estimated 1,414 MBO to be recovered
  - The four existing off-setting wells are estimated to ultimately recover about 379 MBO
  - Leaving an estimated 1,035 MBO to be recovered by any infill wells
  - The proposed infill well is estimated to recover 70 MBO at an initial rate of about 100 barrels of oil per day

**See Exhibit "K"**

7. The 4 existing wells in the S/2NE/4 and N/2SE/4 of Section 14 have a combined total allowable of 568 barrels of oil per day (142 x 4) with the original well in this 40-acre spacing unit (Unit J) currently producing about 32 barrels of oil per day (South Culebra Bluff Well No. 2)
8. The 4 existing wells in the NE/4 of Section 23 have a combined total allowable of 568 barrels of oil per day (142 x 4) with the original well in this 40-acre spacing unit (Unit H) currently producing about 6 barrels of oil per day (South Culebra "23" Well No. 12)

#### **NOTIFICATION AND WAIVERS**

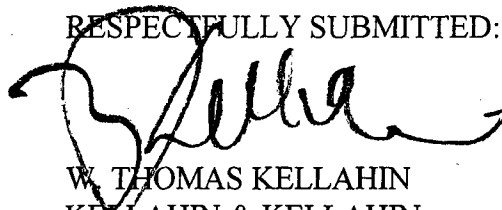
9. RB, for administrative convenience, has selected to place each infill well within an existing spacing unit and requests approval for simultaneous dedication.



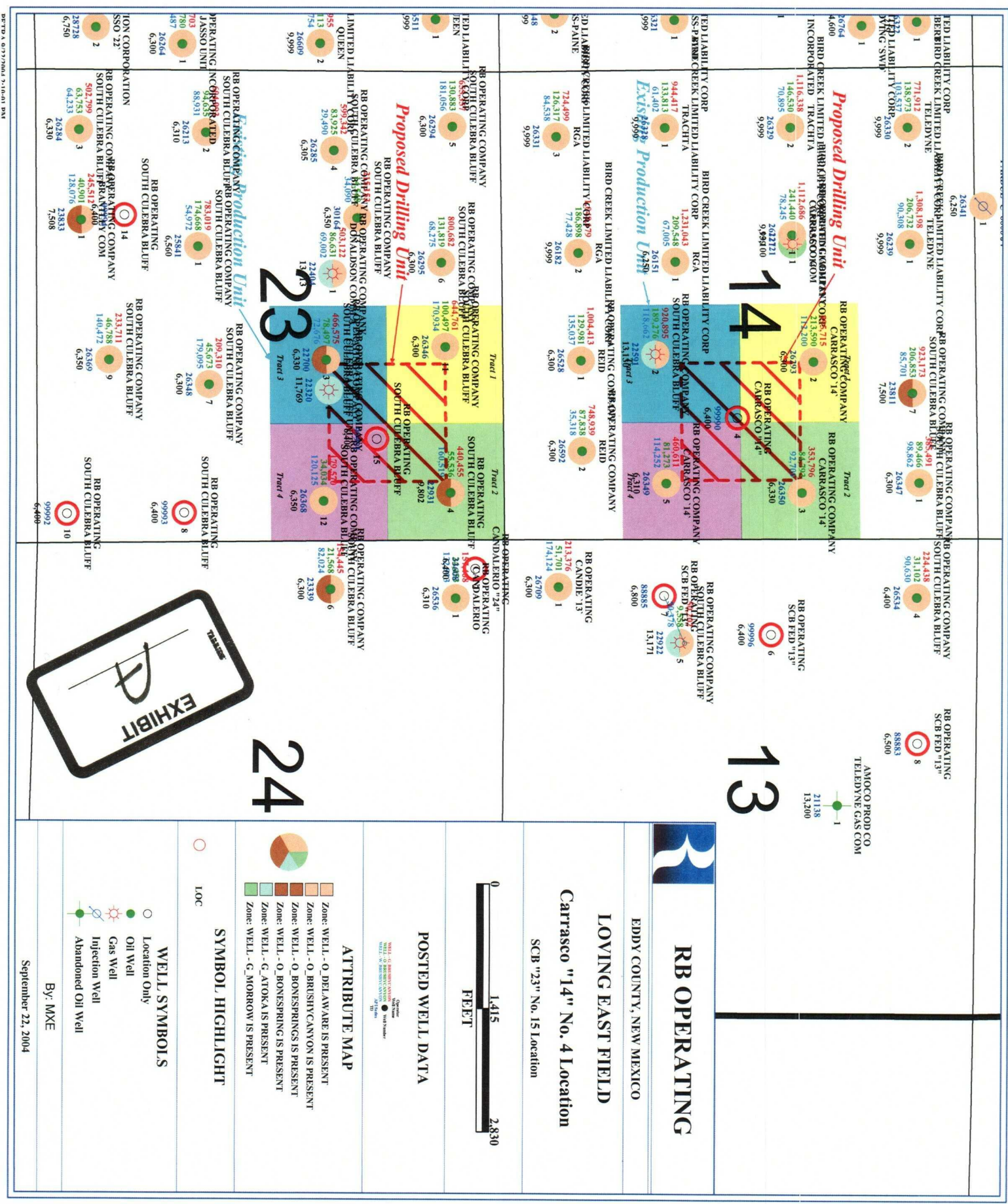
10. RB and Chesapeake Permian, L. P. are the only working interest owners affected and RB has contacted all royalty and overriding royalty interest owners affected and has obtained the consent of all owners.
11. RB has entered into an agreement with all these affected owners for the sharing of production for these 2 infill wells by creating a voluntary "Proposed Drilling Unit" consisting of 10-acres from each of the 40-acre spacing units in the quarter section. **See map attached as Exhibit "A" Attached and the two agreements attached as Exhibit "L-1" and Exhibit "L-2"**
12. No further notice is required because attached are copies of the signature pages for each of the two agreements showing that all interest owners have agreed to this proposal. **See Exhibit "M" and Exhibit "N" attached**

**WHEREFORE**, RB, as applicant, requests that the Division enter its order approving these requested unorthodox well locations and simultaneous dedications.

RESPECTFULLY SUBMITTED:



W. THOMAS KELLAHIN  
KELLAHIN & KELLAHIN  
P. O. Box 2265  
Santa Fe, New Mexico 87504  
Telephone: (505) 982-4285  
Fax: (505) 982-2047



By: MXE  
September 22, 2004

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

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		Pool Code	Pool Name
Property Code	Property Name CARRASCO 14		Well Number 4
OGRID No.	Operator Name R.B. OPERATING		Elevation 2977'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	14	23-S	28-E		2630	SOUTH	1330	EAST	EDDY

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>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=474923.2 N X=586495.1 E</p> <p>LAT.=32°18'19.33" N LONG.=104°03'12.17" W</p>	<p>1330'</p>	
	<p>2630'</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>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>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>AUGUST 3, 2004</p> <p>Date Surveyed: REV. 08/20/04 JR</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>Ronald J. Eidson</i> 8/20/04</p> <p>04.11.0997</p> <p>Certificate No. RONALD J. EIDSON 3239</p>	

# State of New Mexico

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

Energy, Minerals and Natural Resources Department

Form C-102

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

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

Revised JUNE 10, 2003  
Submit to Appropriate District Office  
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DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

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

### WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name <b>CARRASCO 14</b>	Well Number <b>4</b>
OGRID No.	Operator Name <b>R.B. OPERATING</b>	Elevation <b>2977'</b>

#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	14	23-S	28-E		2630	SOUTH	1330	EAST	EDDY

#### 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

	<b>OPERATOR CERTIFICATION</b>  <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature _____  Printed Name _____  Title _____  Date _____
	<b>SURVEYOR CERTIFICATION</b>  <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>  AUGUST 3, 2004  Date Surveyed REV: 08/20/04 JR Signature & Seal of Professional Surveyor _____
	04.11.0997
	Certificate No. RONALD J. EIDSON 3239
	<div style="border: 2px solid black; padding: 5px; transform: rotate(-10deg); display: inline-block;"> <b>EXHIBIT</b>  <b>B-2</b> </div>

## DISTRICT I

1625 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 JUNE 10, 2003

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name SCB 23		Well Number 15
OGRID No.	Operator Name R.B. OPERATING		Elevation 2989'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	23	23-S	28-E		1430'	NORTH	1150'	EAST	EDDY

## 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>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=470865.0 N X=586666.3 E</p> <p>LAT.=32°17'39.17" N LONG.=104°03'10.30" W</p>		<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.	
		Signature _____  Printed Name _____  Title _____  Date _____	
		<b>SURVEYOR CERTIFICATION</b>  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.	
		AUGUST 2, 2004  Date Surveyed _____ JR Signature & Seal of Professional Surveyor _____  Certificate No. RONALD J. EPPSON 3239	

EXHIBIT

C-1

## DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

## DISTRICT II

1201 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

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Santa Fe, New Mexico 87505

Form C-102

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name SCB 23	Well Number 15
OGRID No.	Operator Name R.B. OPERATING	Elevation 2989'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	23	23-S	28-E		1430'	NORTH	1150'	EAST	EDDY

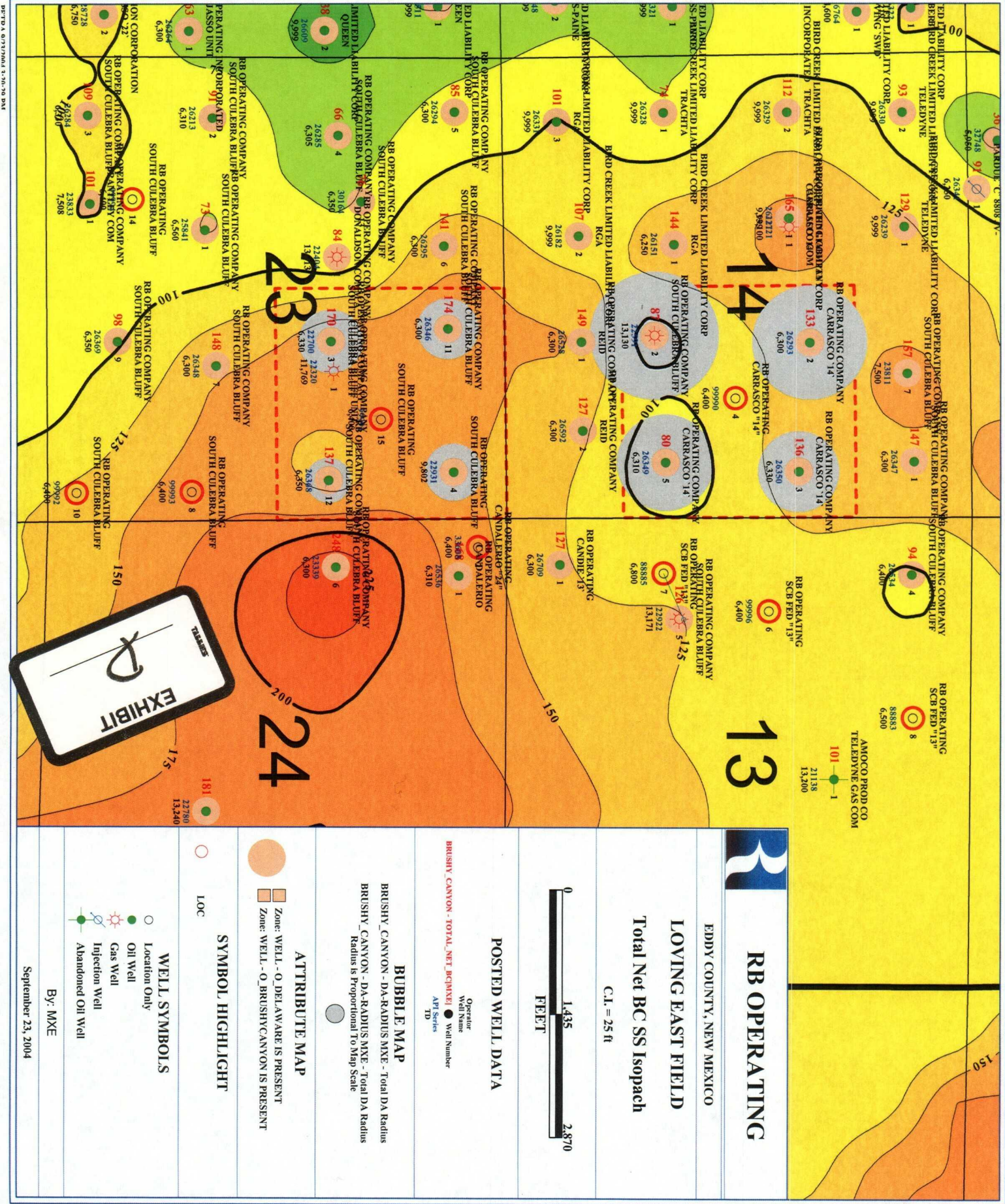
## Bottom Hole Location If Different From Surface

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

	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature _____  Printed Name _____  Title _____  Date _____
	<b>SURVEYOR CERTIFICATION</b>  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.  AUGUST 2, 2004  Date Surveyed _____ JR Signature & Seal of Professional Surveyor _____
	04.11.0896  Certificate No. RONALD J. EIDSON 3239
	<b>EXHIBIT</b> <b>C-2</b>





# RB OPERATING

EDDY COUNTY, NEW MEXICO

LOVING EAST FIELD

Total Net BC SS Isopach

C.I. = 25 ft



## POSTED WELL DATA

Operator  
Well Name  
Well Number  
AP Series

BRUSHY CANYON - TOTAL DA RADIUS  
BRUSHY CANYON - DA RADIUS MXE - Total DA Radius  
Radius is Proportional To Map Scale

## BUBBLE MAP

Zone: WELL - O DELAY ARE IS PRESENT  
Zone: WELL - O BRUSHY CANYON IS PRESENT

## ATTRIBUTE MAP

LOC

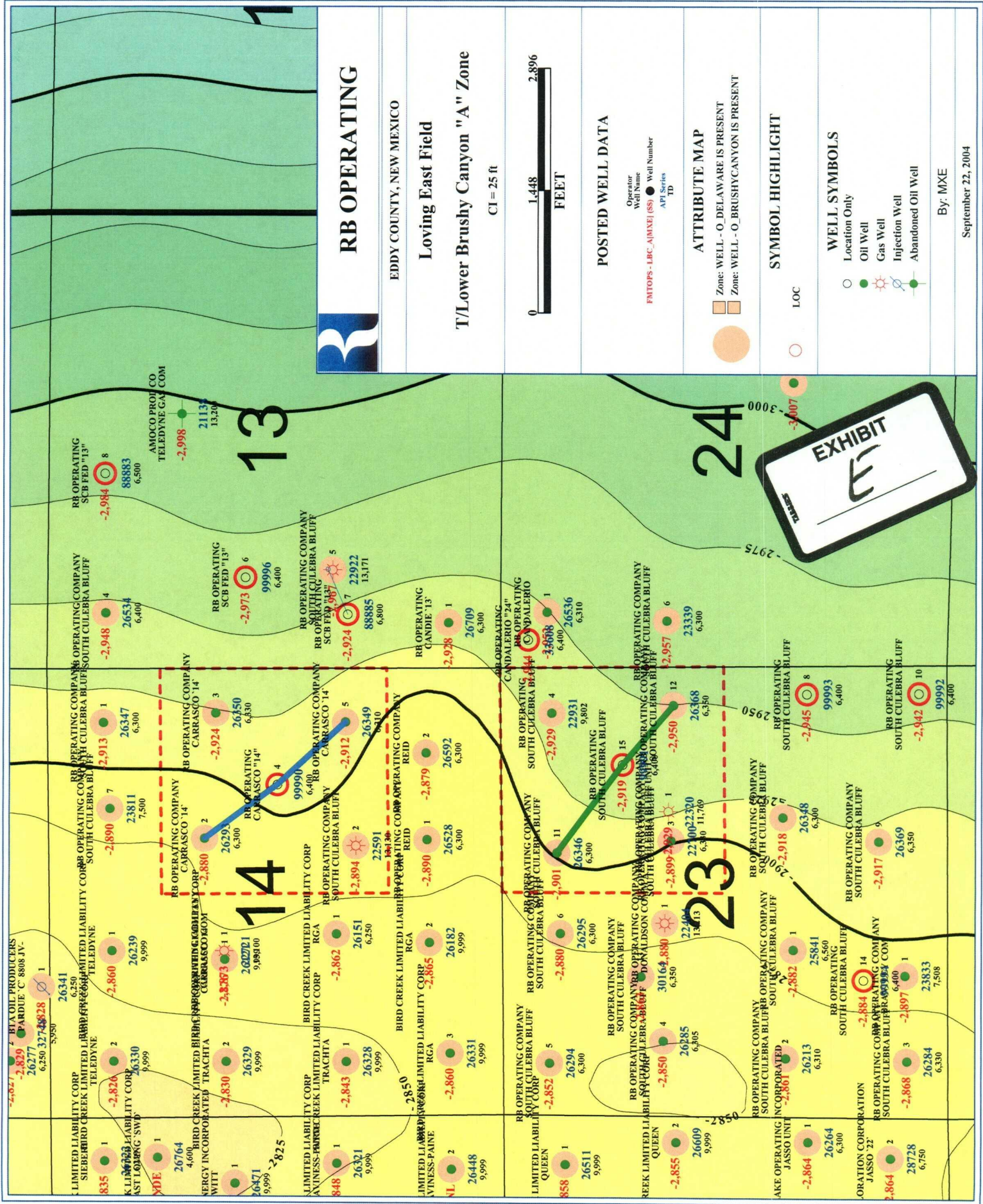
## WELL SYMBOLS

- Location Only
- Oil Well
- Gas Well
- Injection Well
- Abandoned Oil Well

By: MXE

September 23, 2004



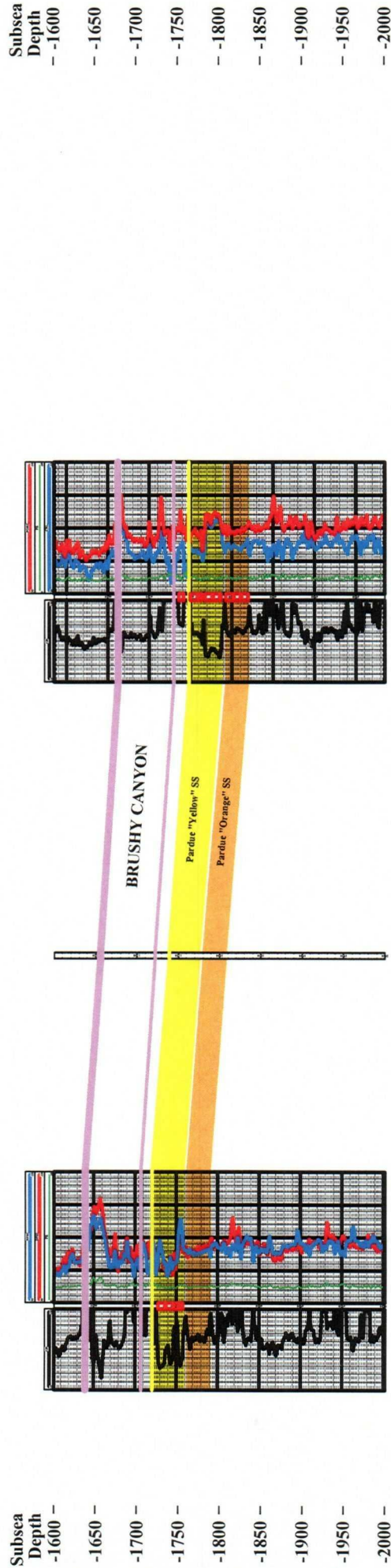




# NW-SE STRUCTURAL CROSS-SECTION

## Carrasco "14" No. 4 Location

RB OPERATING COMPANY  
 CARRASCO "14"  
 NW 2 26293  
 <1,067FT>  
 RB OPERATING COMPANY  
 CARRASCO "14"  
 SE 5 26349  
 <1,091FT>



IPF: 606 MCTG, 396 BO, & 396 BWD  
 (599)  
 Re-Completed to "Pardue"  
 IPF: 102 MCTG, 23 BO, & 90 BWD  
 (1899)

IPF: 110 MCTG, 60 BO, & 128 BWD  
 (799)  
 Re-Completed to "Pardue"  
 IPF: 55 MCTG, 60 BO, & 100 BWD  
 (805)

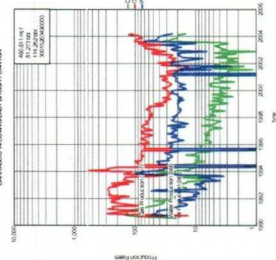
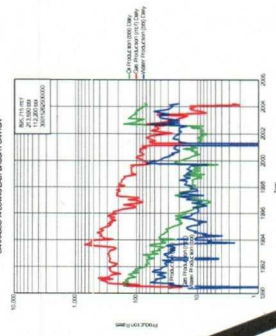
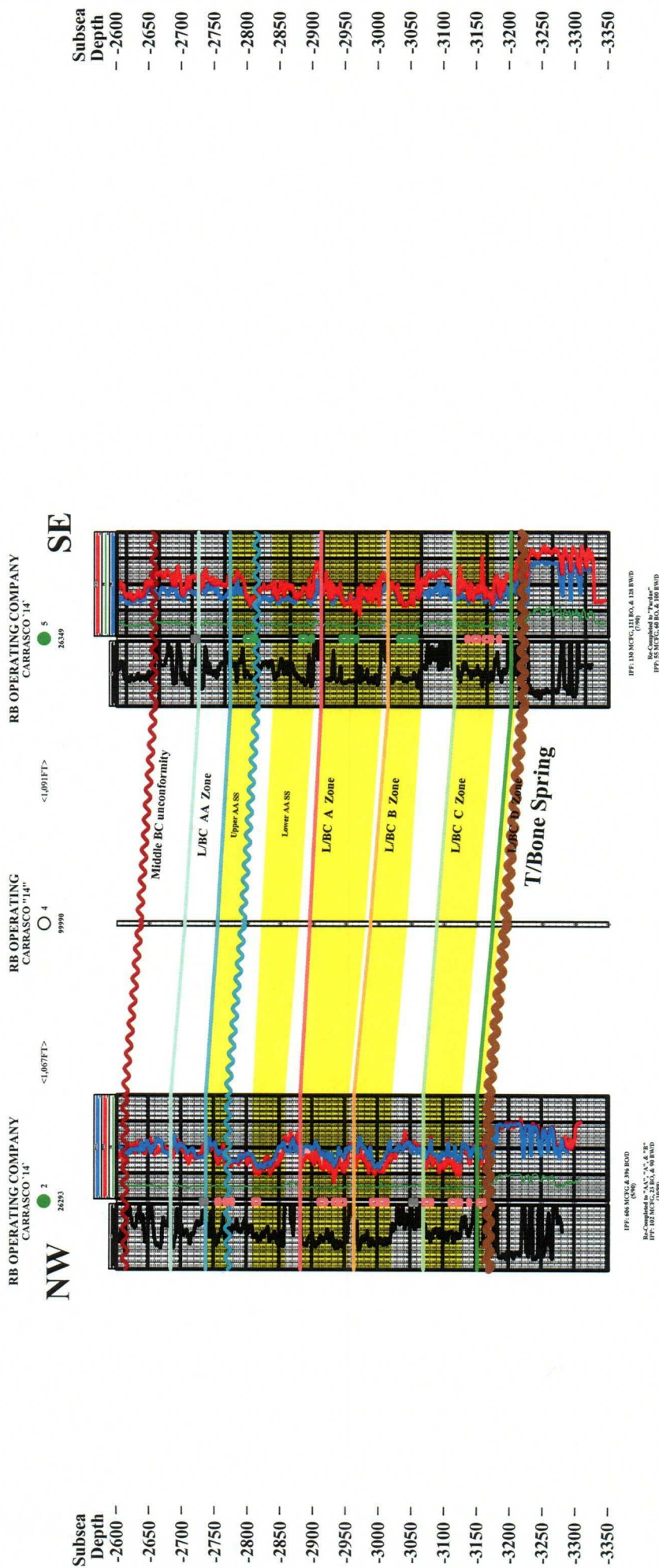


EXHIBIT  
 F

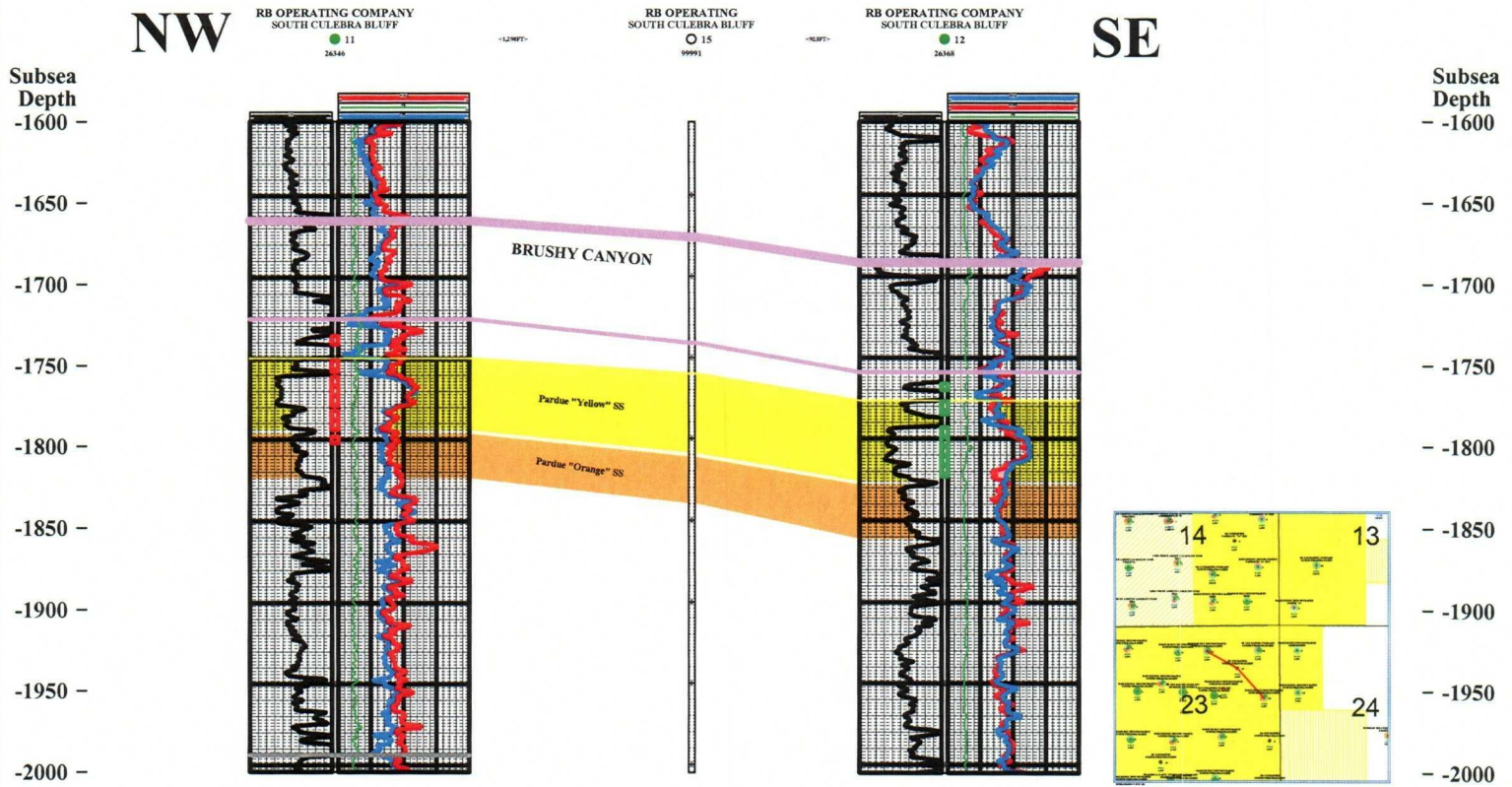
# NW-SE STRUCTURAL CROSS-SECTION

## Carrasco "14" No. 4 Location

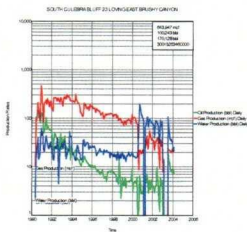




# NW-SE STRUCTURAL CROSS-SECTION South Culebra Bluff "23" No. 15

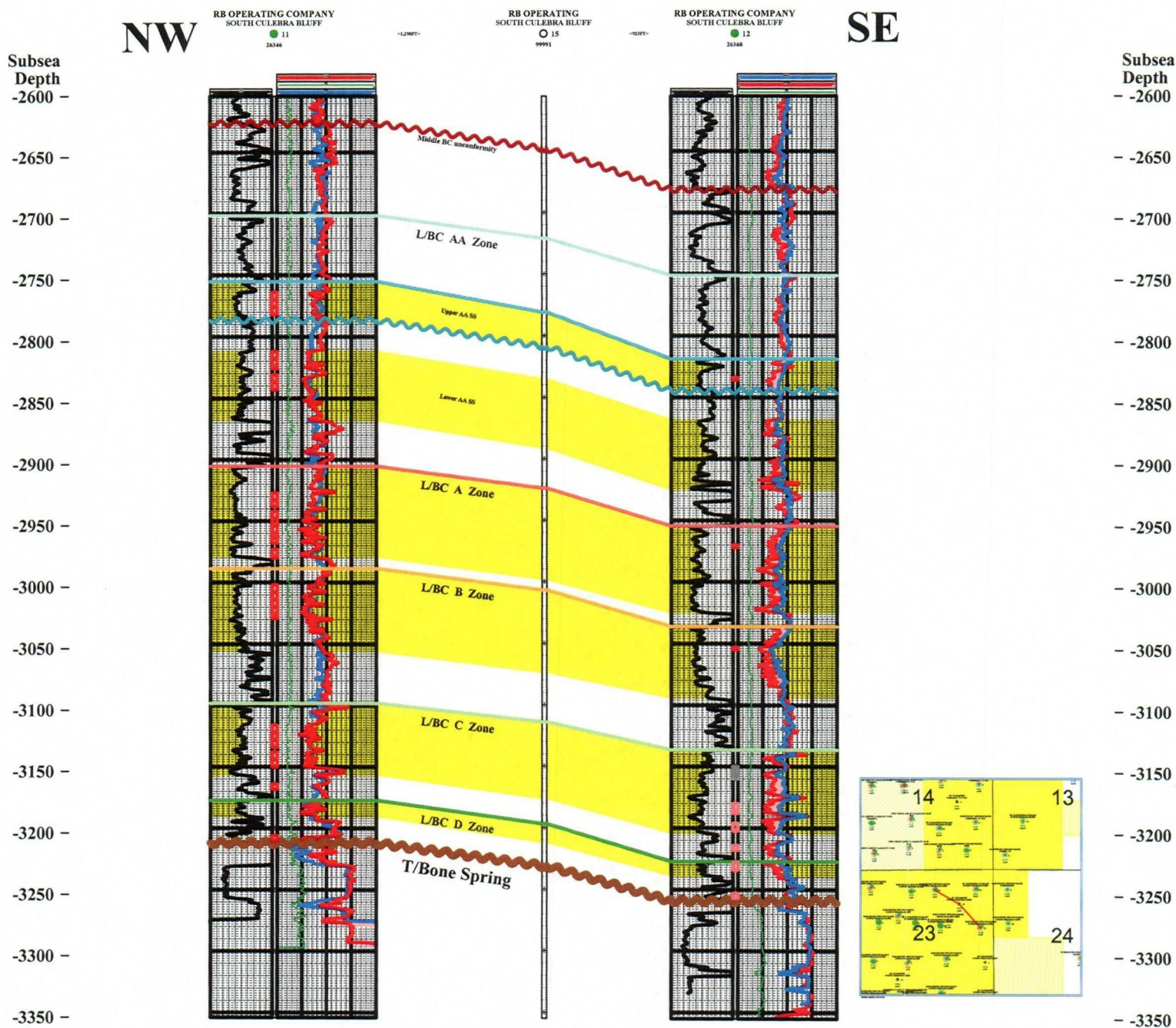


Re-Completed to Pardue  
IPP: 30 MCFG, 29 BO, & 97 BW/D  
(7/03)



# NW-SE STRUCTURAL CROSS-SECTION

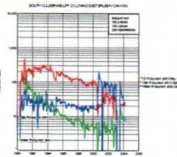
South Culebra Bluff "23" No. 15 Location



IPF: 204 MCFG, 140 BO, & 130 BW/D  
(5/90)

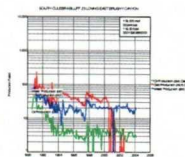
Re-Completed to "AA"  
IPP: 30 MCFG, 6 BO, & 190 BW/D  
(9/00)

Re-Completed to "Pardue"  
IPP: 30 MCFG, 29 BO, & 97 BW/D  
(7/03)



IPF: 93 MCFG, 90 BO, & 150 BW/D  
(7/90)

Re-Completed to "AA", "A", & "B"  
(7/04)





**LOVING EAST FIELD  
PROPOSED CARRASCO 14#4  
EDDY COUNTY, NEW MEXICO**

**DELAWARE VOLUMETRIC ANALYSIS**

**PARAMETERS**

Average Porosity, %	16.0
Connate Water Saturation, %	49.0
Initial Pressure, psia	2,615
Reservoir Temperature, deg. R	575
Formation Volume Factor	1.34

<b>OIL IN PLACE, BBLS/A-F</b> <b>(7758 x por x (1-Sw) *1/Bo)</b>	<b>472</b>
---	------------

<b>OIL IN PLACE, MBBLS</b>	<b>9,087</b>
----------------------------	--------------

Recovery Factor, %	11
--------------------	----

<b>ULTIMATE OIL RECOVERY, BBLS/A-F</b>	<b>52</b>
--	-----------

**BULK RESERVOIR VOLUME**

Productive Acres	163
Average Pay Thickness, ft.	118
Unit Productive Volume, A-F	19,234

<b>ULTIMATE RECOVERABLE OIL, MBBLS</b>	<b>1,000</b>
--	--------------

<b>OIL RESERVES RECOVERABLE BY EXISTING WELLS</b>	<b>MBO</b>
---	------------

Carrasco 14#2	300
Carrasco 14#3	125
Carrasco 14#5	94
SCB #2B	229

<b>TOTAL RESERVES BY EXISTING WELLS</b>	<b>748</b>
---	------------

<b>OIL RESERVES NOT RECOVERABLE BY EXISTING WELLS IN TRACT</b>	<b>252</b>
--	------------



**LOVING EAST FIELD  
PROPOSED SCB 23#15  
EDDY COUNTY, NEW MEXICO**

**DELAWARE VOLUMETRIC ANALYSIS**

**PARAMETERS**

Average Porosity, %	17.0
Connate Water Saturation, %	48.0
Initial Pressure, psia	2,615
Reservoir Temperature, deg. R	575
Formation Volume Factor	1.34

<b>OIL IN PLACE, BBLS/A-F (7758 x por x (1-Sw) *1/Bo)</b>	<b>512</b>
---	------------

<b>OIL IN PLACE, MBBLs</b>	<b>12,856</b>
----------------------------	---------------

Recovery Factor, %	11
--------------------	----

<b>ULTIMATE OIL RECOVERY, BBLS/A-F</b>	<b>56</b>
--	-----------

**BULK RESERVOIR VOLUME**

Productive Acres	160
Average Pay Thickness, ft.	157
Unit Productive Volume, A-F	25,120

<b>ULTIMATE RECOVERABLE OIL, MBBLs</b>	<b>1,414</b>
--	--------------

<b>OIL RESERVES RECOVERABLE BY EXISTING WELLS</b>	<b>MBO</b>
---	------------

SCB #4B	95
---------	----

SCB 23#11	112
-----------	-----

SCB #3B	124
---------	-----

SCB 23#12	48
-----------	----

<b>TOTAL RESERVES BY EXISTING WELLS</b>	<b>379</b>
---	------------

<b>OIL RESERVES NOT RECOVERABLE BY EXISTING WELLS IN TRACT</b>	<b>1,035</b>
--	--------------



## COOPERATIVE AGREEMENT

(Carrasco "14" #4 Well, Eddy County, NM)

This Agreement is between the parties set out on the Exhibit "A" attached hereto, hereinafter being referred to as "the Parties".

**WHEREAS**, The Parties own royalty, working interests and other leasehold interests in the existing production units of the Carrasco "14" #2 Well (Tract 1), Carrasco "14" #3 Well (Tract 2), South Culebra Bluff #2B Well (Tract 3) and the Carrasco "14" #5 Well (Tract 4) located in Section 14, T23S, R28E, Eddy County, NM; and

**WHEREAS**, RB Operating Company is desirous of drilling the Carrasco "14" #4 well located between the four wells set out above. Because this well is considered an "increased density well", it can not be drilled without the prior approval of the New Mexico Oil Conservation Division; and

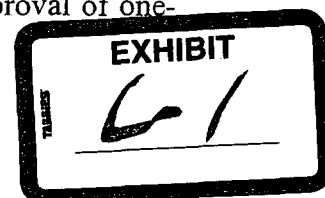
**WHEREAS**, the Parties are desirous of reducing to writing their mutual consent and approval to allow RB Operating Company the right to drill the Carrasco "14" #4 well within the proposed drilling unit.

**NOW, THEREFORE**, for the adequate, mutual and reciprocal considerations hereinafter set forth, the Parties hereby agree as follows:

1. The lands covered by this Agreement the ("Proposed Drilling Unit") are depicted on the Plat attached to this Agreement as Exhibit "C," and are described as follows:

All of the SW/4 SE/4 NE/4, SE/4 SW/4 NE/4, NW/4 NE/4 SE/4 & NE/4 NW/4 SE/4 of Section 14, T23S, R28E, Eddy County, NM containing forty (40) acres, more or less.

2. The ownership of the royalty, working interests and other leasehold interests in the Proposed Drilling Unit is set out on the Exhibit "B" attached hereto. This Agreement shall not have any affect on the respective ownership of the royalty, working interests and other leasehold interests in the existing wells in Tracts 1 thru 4 set out on the Exhibit "C" attached hereto.
3. The Parties hereby mutually approve the drilling of the Carrasco "14" #4 well within the proposed drilling unit.
4. RB Operating will make a diligent effort to obtain the approval to drill the Carrasco "14" #4 well from the New Mexico Oil Conservation Division.
5. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of the existing Operating Agreement.
6. In the event the Carrasco "14" #4 well has not been spudded by July 1, 2005, this agreement shall expire.
7. This agreement shall not amend any existing agreements covering the Proposed Drilling Unit, including, but not limited to, the Operating Agreement, Oil and Gas Leases, Division Orders, etc.
8. This Agreement shall become effective upon the proper execution and approval of one-hundred percent (100%) of the Parties.



9. This Agreement shall be binding on the Parties and shall extend to and be binding on their respective heirs, executors, administrators, successors, and assigns.
10. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring to it, and shall be binding on all Parties who have executed a counterpart, ratification or consent with the same force and effect as if all Parties had signed the same document.

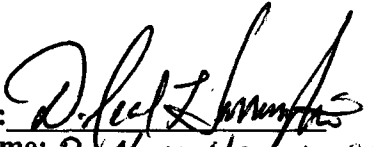
The Parties have executed this 22<sup>nd</sup> day of September, 2004, however, shall not become effective upon the proper execution and approval of one-hundred percent (100%) of the Parties.

**WORKING INTEREST OWNERS**

**Chesapeake Permian, L. P.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**RB Operating Company**

By:   
Name: D. NEAL HARRINGTON  
Title: V P LAND

**OVERRIDING ROYALTY INTEREST OWNERS**

Robert H. Northington

**Wells Fargo F. B. O. Donald Paape**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



Individual Acknowledgement

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

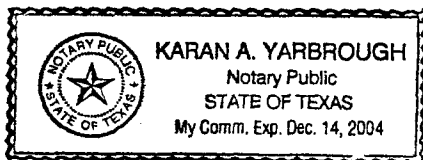
This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

Corporate Acknowledgement

STATE OF Texas §  
COUNTY OF Tarrant §

This instrument was acknowledged before me on the 22nd day of September, 2004, by D. Neal Harrington, Vice President of RB Operating Company, a Delaware corporation, on behalf of said corporation.



Karan A. Yarbrough  
Notary Public in and for the State of  
Texas.

9. This Agreement shall be binding on the Parties and shall extend to and be binding on their respective heirs, executors, administrators, successors, and assigns.
10. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring to it, and shall be binding on all Parties who have executed a counterpart, ratification or consent with the same force and effect as if all Parties had signed the same document.

The Parties have executed this 28<sup>th</sup> day of July, 2004, however, shall not become effective upon the proper execution and approval of one-hundred percent (100%) of the Parties.

**WORKING INTEREST OWNERS**

**Chesapeake Permian, L. P.**

By: 

Name: Henry J. Hood

Title: Senior Vice President - Land and Legal  
of Chesapeake Operating, Inc.  
General Partner of Chesapeake Permian, LP

**RB Operating Company**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**OVERRIDING ROYALTY INTEREST OWNERS**

**Robert H. Northington**

**Wells Fargo F. B. O. Donald Paape**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Individual Acknowledgement

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

Corporatate Acknowledgement

STATE OF Oklahoma §  
COUNTY OF Grady §

This instrument was acknowledged before me on the 28<sup>th</sup> day of July, 2004, by Henry J. Hood, Senior Vice Pres. - Land and Legal of Chesapeake Operating, Inc. General Partner of Chesapeake Permian, LP, a(n) Oklahoma corporation, on behalf of said corporation.



Jamie R. Brody  
Notary Public in and for the State of  
Oklahoma.

9. This Agreement shall be binding on the Parties and shall extend to and be binding on their respective heirs, executors, administrators, successors, and assigns.
10. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring to it, and shall be binding on all Parties who have executed a counterpart, ratification or consent with the same force and effect as if all Parties had signed the same document.

The Parties have executed this \_\_\_\_\_ day of \_\_\_\_\_, 2004, however, shall not become effective upon the proper execution and approval of one-hundred percent (100%) of the Parties.

**WORKING INTEREST OWNERS**

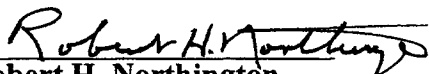
**Chesapeake Permian, L. P.**

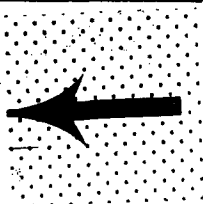
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**RB Operating Company**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**OVERRIDING ROYALTY INTEREST OWNERS**

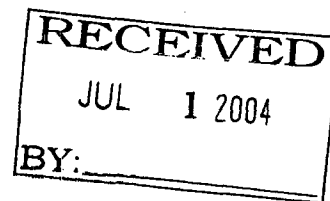
  
Robert H. Northington



**SIGN  
HERE**

**Wells Fargo F. B. O. Donald Paape**

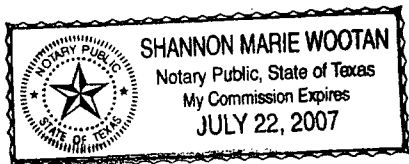
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**Individual Acknowledgement**

STATE OF Texas §  
COUNTY OF Burnet §

This instrument was acknowledged before me on the 29<sup>th</sup> day of June, 2004, by ROBERT H. NORTHINGTON.



Shannon Marie Wootan  
Notary Public in and for the State  
of Texas.

**Corporatate Acknowledgement**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

**ROYALTY OWNERS**

**Esther Lee Baker Trust**

By: William M. Baker  
Name: William M. Baker  
Title: Co-Trustee

Candelario Carrasco, Jr.

Emma Carrasco

Celia C. Valdez

**Bogle Oil, Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

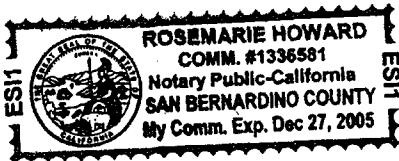
Richard Holesapple

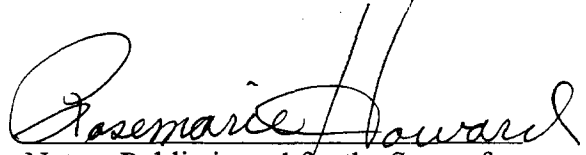
Dea Holesapple

**Trustee Acknowledgement**

STATE OF California §  
COUNTY OF San Bernardino §

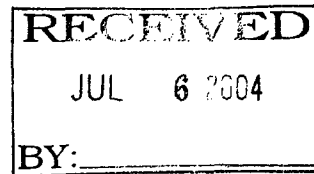
This instrument was acknowledged before me on the 29th day of  
June, 2004, by William M. Baker, Trustee of the  
Esther Lee Baker Trust, on behalf of said Trust.



  
Notary Public in and for the State of  
California

**ROYALTY OWNERS**

**Esther Lee Baker Trust**



By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Candelario Carrasco, Jr.**

**Emma Carrasco**

**Celia C. Valdez**

**Bogle Oil, Inc.**

By:   
Name: BILL BOGLE  
Title: PRESIDENT

**Richard Holesapple**

**Dea Holesapple**



**Individual Acknowledgement**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

**Individual Acknowledgement**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

**Corporate Acknowledgement**

STATE OF New Mexico §

COUNTY OF CHAVES §

This instrument was acknowledged before me on the 29th day of JUNE, 2004, by Bill Bogle, PRESIDENT of Bogle Oil, Inc, a \_\_\_\_\_ corporation, on behalf of said corporation.

Amita K. Wagner  
Notary Public in and for the State of  
New Mexico.

Julee Margulies-Metz

Melinda Thompson  
Melinda Thompson

Corina C. Urquidez

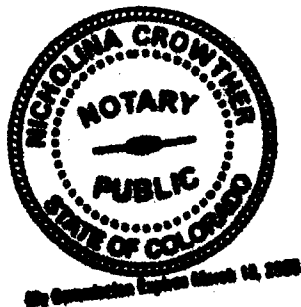
Danielle Levine-Baum

Greg Martinez, Jr.

**Individual Acknowledgement**

STATE OF Colorado §  
COUNTY OF Lafayette §

This instrument was acknowledged before me on the 30<sup>th</sup> day of June, 2004, by Nicholina Crowther.



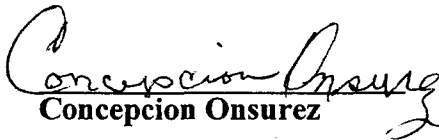
Nicholina Crowther  
Notary Public in and for the State  
of Colorado.

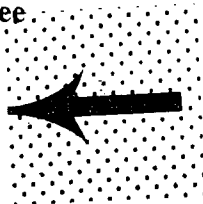
Judith Hamilton Fuhr

Emil Berger

**Solomon N. Grover Trust Agreement dated 10/10/2000**

By: Solomon N. Grover, Trustee

  
Concepcion Onsurez



**SIGN  
HERE**

Shayna Levine-Hoffman

Dale Goldman

William Kantor, M.D.

**Wife's Trust created under the David L. & Gloria G. Margulies  
Trust Agreement dated 10-31-2000**

By: Gloria G. Margulies, Trustee

**Individual Acknowledgement**

STATE OF N.M. §

COUNTY OF Eddy §

This instrument was acknowledged before me on the 6<sup>th</sup> day of July, 2004, by Concepcion Onsurez.

Manuel D. Fargu  
Notary Public in and for the State  
of New Mexico.  
My Commission Expires 11/10/2005

**Individual Acknowledgement**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

**Corporate Acknowledgement**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_.

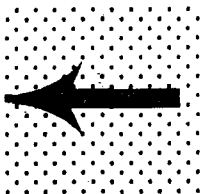
Julee Margulies-Metz

Melinda Thompson

Corina C. Urquidez

Danielle Levine-Baum

Greg Martinez, Jr.



**SIGN  
HERE**

**Individual Acknowledgement**

STATE OF Colorado

COUNTY OF Jefferson

This instrument was acknowledged before me on the 30<sup>th</sup> day of June, 2004, by Nicholina Crouther



My Commission Expires March 14, 2008

Nicholina Crouther  
Notary Public in and for the State  
of Colorado

**Individual Acknowledgement**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

**Individual Acknowledgement**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

**Corporate Acknowledgement**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_.

Marsha Kantor

Renee Ann Levine-Blonder

**Darrin M. Margulies Trust created under the  
Grover Trust Agreement dated 10-15-86, as amended**

By: Gloria G. Margulies, Trustee

  
Marc Kantor

Joe A. Clem

John E. Clem

Geraldine Clem Bolen

Janice Clem Pace

**Individual Acknowledgement**

STATE OF Florida §  
COUNTY OF Broward §

This instrument was acknowledged before me on the 17th day of July, 2004, by MARC KANTOR.



L. Hamerla  
Notary Public in and for the State  
of Florida

**Individual Acknowledgement**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

**Corporate Acknowledgement**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_.



---

**Marsha Kantor**

## Renee Ann Levine-Blonder

**Darrin M. Margulies Trust created under the  
Grover Trust Agreement dated 10-15-86, as amended**

By: Gloria G. Margulies, Trustee

**Marc Kantor**

---

**Joe A. Clem**

John E. Clem  
John E. Clem

# SIGN HERE

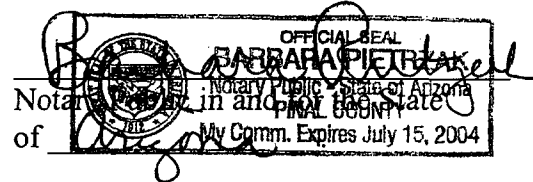
## Geraldine Clem Bolen

**Janice Clem Pace**

**Individual Acknowledgement**

STATE OF Arizona §  
COUNTY OF Pinal §

This instrument was acknowledged before me on the 7th day of July, 2004, by John C Clem.



**Individual Acknowledgement**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

**Corporate Acknowledgement**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

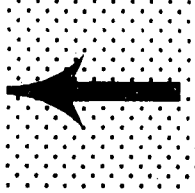
\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_.

**ROYALTY OWNERS**

**Esther Lee Baker Trust**

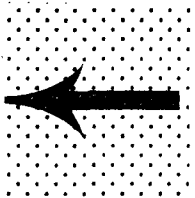
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*Candelario Carrasco Jr.*  
Candelario Carrasco, Jr.



**SIGN  
HERE**

*Emma Carrasco*  
Emma Carrasco



**SIGN  
HERE**

\_\_\_\_\_  
Celia C. Valdez

**Bogle Oil, Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Richard Holesapple

\_\_\_\_\_  
Dea Holesapple

**Individual Acknowledgement**

STATE OF NM §

COUNTY OF Eddy §

This instrument was acknowledged before me on the 7 day of July, 2004, by Candelaria Carrasco  
Emma Carrasco

Stephaine Dobson  
Notary Public in and for the State  
of New Mexico.

**Individual Acknowledgement**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

**Corporate Acknowledgement**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_.

**ROYALTY OWNERS**

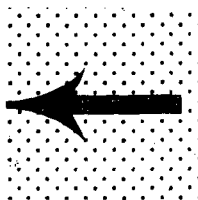
**Esther Lee Baker Trust**

**By:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_

\_\_\_\_\_  
**Candelario Carrasco, Jr.**

\_\_\_\_\_  
**Emma Carrasco**

*Celia C. Valdez*  
\_\_\_\_\_  
**Celia C. Valdez**



**SIGN  
HERE**

**Bogle Oil, Inc.**

**By:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_

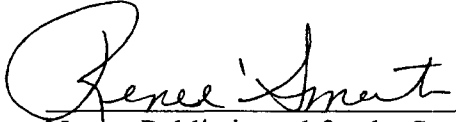
\_\_\_\_\_  
**Richard Holesapple**

\_\_\_\_\_  
**Dea Holesapple**

**Individual Acknowledgement**

STATE OF New Mexico §  
COUNTY OF EDDY §

This instrument was acknowledged before me on the 8th day of July, 2004, by Celia VALDEZ.



Notary Public in and for the State  
of New Mexico EDDY County

My Commission EXPIRES  
04-18-07

**Corporatate Acknowledgement**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

Judith Hamilton Fuhr

Emil Berger

**Solomon N. Grover Trust Agreement dated 10/10/2000**

By: Solomon N. Grover, Trustee

Concepcion Onsurez

Shayna Levine-Hoffman

Dale Goldman  
Dale Goldman

William Kantor, M.D.

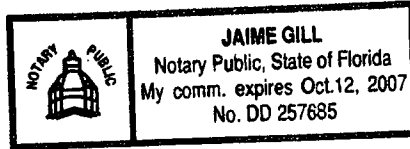
**Wife's Trust created under the David L. & Gloria G. Margulies  
Trust Agreement dated 10-31-2000**

By: Gloria G. Margulies, Trustee

**Individual Acknowledgement**

STATE OF FLORIDA §  
COUNTY OF PALM BEACH §

This instrument was acknowledged before me on the 7<sup>th</sup> day of July, 2004, by Dale I Goldman.



Jaime Gill  
Notary Public in and for the State  
of Florida.

**Individual Acknowledgement**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

**Corporate Acknowledgement**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_.



Julee Margulies-Metz

Melinda Thompson

Corina C. Urquidez trustee of Urquidez family living trust  
Corina C. Urquidez  
date 6-12-2004

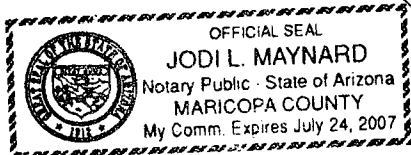
Danielle Levine-Baum

Greg Martinez, Jr.

**Individual Acknowledgement**

STATE OF Arizona §  
COUNTY OF Maricopa §

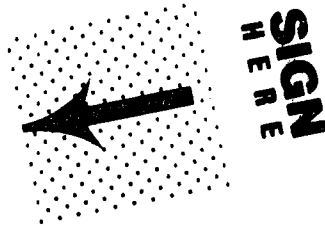
This instrument was acknowledged before me on the 6 day of July, 2004, by Corina C. Urquidez.



Jodi Maynard  
Notary Public in and for the State  
of Arizona

## Marsha Kantor

Renee Ann Levine-Blonder  
Renee Ann Levine-Blonder



**Darrin M. Margulies Trust created under the  
Grover Trust Agreement dated 10-15-86, as amended**

By: Gloria G. Margulies, Trustee

## Marc Kantor

**Joe A. Clem**

**John E. Clem**

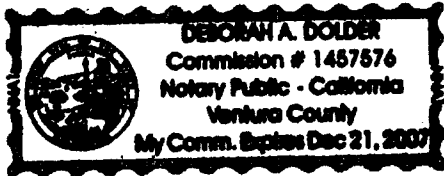
## Geraldine Clem Bolen

## Janice Clem Pace

Individual Acknowledgement

STATE OF California §  
COUNTY OF Ventura §

This instrument was acknowledged before me on the 13 day of July, 2004, by Renee Ann Levine Blondee



Deborah A. Dolder  
Notary Public in and for the State  
of California.

Individual Acknowledgement

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

Corporate Acknowledgement

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_.

---

**Marsha Kantor**

## **Renee Ann Levine-Blonder**

**Darrin M. Margulies Trust created under the  
Grover Trust Agreement dated 10-15-86, as amended**

By: Gloria G. Margulies, Trustee

---

**Marc Kantor**

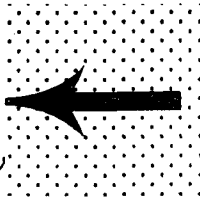
---

**Joe A. Clem**

---

**John E. Clem**

Geraldine Clem Bolen  
Geraldine Clem Bolen

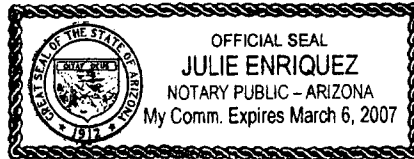


# SIGN HERE

**Janice Clem Pace**

Individual Acknowledgement

STATE OF AZ §  
COUNTY OF MARIICOPA §



This instrument was acknowledged before me on the 15 day of July, 2004, by [Signature] Julie Enriquez

[Signature]  
Notary Public in and for the State  
of Arizona.

Individual Acknowledgement

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

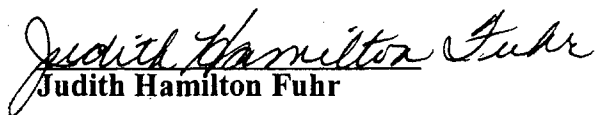
\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

Corporate Acknowledgement

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_.

  
Judith Hamilton Fuhr

\_\_\_\_\_  
Emil Berger

**Solomon N. Grover Trust Agreement dated 10/10/2000**

By: \_\_\_\_\_  
Solomon N. Grover, Trustee

\_\_\_\_\_  
Concepcion Onsurez

\_\_\_\_\_  
Shayna Levine-Hoffman

\_\_\_\_\_  
Dale Goldman

\_\_\_\_\_  
William Kantor, M.D.

**Wife's Trust created under the David L. & Gloria G. Margulies  
Trust Agreement dated 10-31-2000**

By: \_\_\_\_\_  
Gloria G. Margulies, Trustee

Individual Acknowledgement

STATE OF ARIZONA §  
COUNTY OF MARICOPA §

This instrument was acknowledged before me on the 15<sup>th</sup> day of September, 2004, by Judith Hamilton Fuhr.

[Signature]  
Notary Public in and for the State  
of ARIZONA.



Corporate Acknowledgement

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

Judith Hamilton Fuhr

Emil Berger

**Solomon N. Grover Trust Agreement dated 10/10/2000**

By: Solomon N. Grover, Trustee

Concepcion Onsurez

Shayna Levine-Hoffman

Dale Goldman

X  William Kantor, M.D.

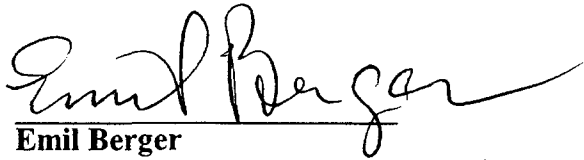
**Wife's Trust created under the David L. & Gloria G. Margulies  
Trust Agreement dated 10-31-2000**

By: Gloria G. Margulies, Trustee

Note: FAX copy - no original with Notary Acquired.



Judith Hamilton Fuhr

  
Emil Berger

**Solomon N. Grover Trust Agreement dated 10/10/2000**

By: Solomon N. Grover, Trustee

Concepcion Onsurez

Shayna Levine-Hoffman

Dale Goldman

William Kantor, M.D.

**Wife's Trust created under the David L. & Gloria G. Margulies  
Trust Agreement dated 10-31-2000**

By: Gloria G. Margulies, Trustee

**Individual Acknowledgement**

STATE OF California §  
COUNTY OF Los Angeles §

This instrument was acknowledged before me on the 12 day of August, 2004, by EMIL BERGER.



[Signature]  
Notary Public in and for the State  
of California.

**Individual Acknowledgement**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

**Corporate Acknowledgement**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_.

Marsha Kantor

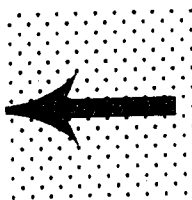
Renee Ann Levine-Blonder

**Darrin M. Margulies Trust created under the  
Grover Trust Agreement dated 10-15-86, as amended**

By: Gloria G. Margulies, Trustee

Marc Kantor

*Joe A. Clem*  
Joe A. Clem



**SIGN  
HERE**

John E. Clem

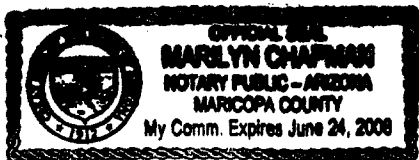
Geraldine Clem Bolen

Janice Clem Pace

Individual Acknowledgement

STATE OF Arizona §  
COUNTY OF Maricopa §

This instrument was acknowledged before me on the 24th day of August, 2004, by Joe A. Clem.



Marilyn Chapman  
Notary Public in and for the State  
of Arizona

Corporatate Acknowledgement

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

Judith Hamilton Fuhr

Emil Berger

**Solomon N. Grover Trust Agreement dated 10/10/2000**

By: Solomon N. Grover, Trustee

Concepcion Onsurez

Shayna Levine-Hoffman

Dale Goldman

William Kantor, M.D.

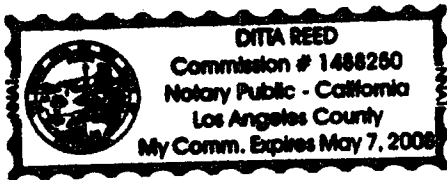
**Wife's Trust created under the David L. & Gloria G. Margulies  
Trust Agreement dated 10-31-2000**

By: Gloria G. Margulies  
Gloria G. Margulies, Trustee

Trustee Acknowledgement

STATE OF California §  
COUNTY OF Los Angeles §

This instrument was acknowledged before me on the 12th day of August, 2004, by Gloria G. Margulies, Trustee of the wife's Trust created under the David L., on behalf of said Trust.  
+ Gloria G. Margulies Trust Agreement dated 10/3/2000.



[Signature]  
Notary Public in and for the State of  
California

Marsha Kantor

Renee Ann Levine-Blonder

**Darrin M. Margulies Trust created under the  
Grover Trust Agreement dated 10-15-86, as amended**

By: Gloria G. Margulies  
Gloria G. Margulies, Trustee

Marc Kantor

Joe A. Clem

John E. Clem

Geraldine Clem Bolen

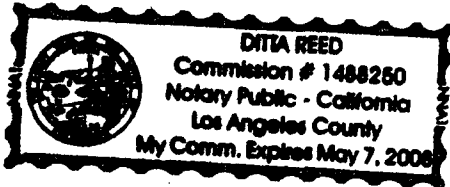
Janice Clem Pace

Trustee Acknowledgement

STATE OF California §  
COUNTY OF Los Angeles §

This instrument was acknowledged before me on the 12th day of August, 2004, by Gloria G. Margulies, Trustee of the

Darrin M. Margulies Trust created, on behalf of said Trust.  
under the Grantor Trust agreement dated 10/15/86, as amended



[Signature]  
Notary Public in and for the State of  
California



Julee Margulies-Metz

Melinda Thompson

Corina C. Urquidez

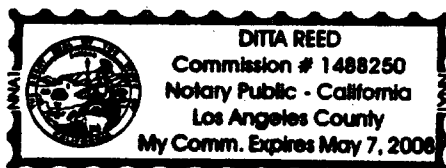
Danielle Levine-Baum  
Danielle Levine-Baum

Greg Martinez, Jr.

**Individual Acknowledgement**

STATE OF California §  
  §  
COUNTY OF Los Angeles §

This instrument was acknowledged before me on the 12<sup>th</sup> day of August, 2004, by Danielle Levine-Baum.



[Signature]  
Notary Public in and for the State  
of California.

X Marsha Kantor  
Marsha Kantor

Renee Ann Levine-Blonder

**Darrin M. Margulies Trust created under the  
Grover Trust Agreement dated 10-15-86, as amended**

By: Gloria G. Margulies, Trustee

Marc Kantor

Joe A. Clem

John E. Clem

Geraldine Clem Bolen

Janice Clem Pace

To: Robert Ebel  
Range Resources Corp  
817. 810. 1985

FAX COPY — NO NOTARY WILL BE OBTAINED

Judith Hamilton Fuhr

Emil Berger

**Solomon N. Grover Trust Agreement dated 10/10/2000**

By: Solomon N. Grover, Trustee

Concepcion Onsurez

  
Shayna Levine-Hoffman

Dale Goldman

William Kantor, M.D.

**Wife's Trust created under the David L. & Gloria G. Margulies  
Trust Agreement dated 10-31-2000**

By: Gloria G. Margulies, Trustee

Individual Acknowledgement

STATE OF California §  
COUNTY OF Los Angeles §

This instrument was acknowledged before me on the 12th day of August, 2004, by Shayna Levine-Hoffman.



[Signature]  
Notary Public in and for the State  
of California.

Individual Acknowledgement

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

Corporate Acknowledgement

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_.

Notary Public in and for the State  
of California

Judith Hamilton Fuhr

Emil Berger

**Solomon N. Grover Trust Agreement dated 10/10/2000**

By: Solomon N. Grover Trustee  
Solomon N. Grover, Trustee

Concepcion Onsurez

Shayna Levine-Hoffman

Dale Goldman

William Kantor, M.D.

**Wife's Trust created under the David L. & Gloria G. Margulies  
Trust Agreement dated 10-31-2000**

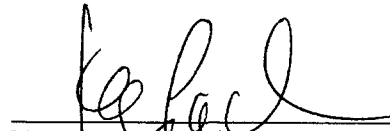
By: Gloria G. Margulies, Trustee

Trustee Acknowledgement

STATE OF CALIFORNIA §  
§  
COUNTY OF LOS ANGELES §

This instrument was acknowledged before me on the 12 day of AUGUST, 2004, by SOLOMON N. GROVER, Trustee of the Solomon N. Grover Trust Agreement dated 10/12/2000, on behalf of said Trust.



  
\_\_\_\_\_  
Notary Public in and for the State of  
California

ROYALTY OWNERS

Esther Lee Baker Trust

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

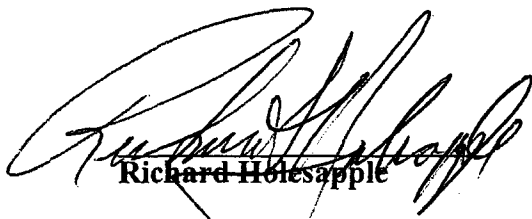
Candelario Carrasco, Jr.

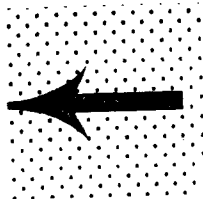
Emma Carrasco

Celia C. Valdez

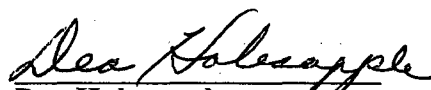
Bogle Oil, Inc.

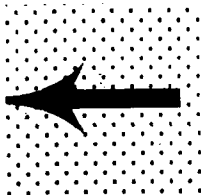
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

  
Richard Holesapple



**SIGN  
HERE**

  
Dea Holesapple



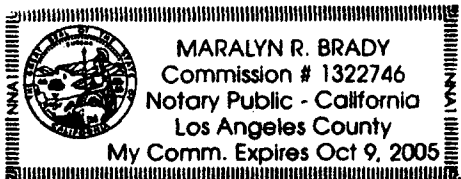
**SIGN  
HERE**



Individual Acknowledgement

STATE OF Calif. §  
COUNTY OF Los Angeles §

This instrument was acknowledged before me on the 6th day of August, 2004, by Richard Holesapple in his authorized capacity.

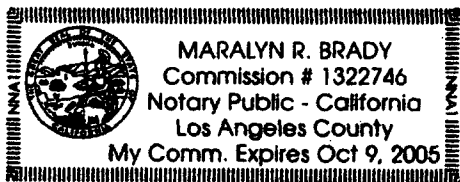


Maralyn R Brady  
Notary Public in and for the State  
of Calif.

Individual Acknowledgement

STATE OF Calif. §  
COUNTY OF Los Angeles §

This instrument was acknowledged before me on the 6th day of August, 2004, by Dea Holesapple in her authorized capacity.



Maralyn R Brady  
Notary Public in and for the State  
of Calif.

Corporate Acknowledgement

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

Marsha Kantor

Renee Ann Levine-Blonder

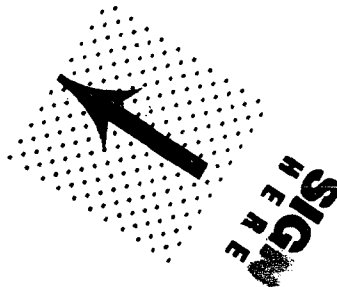
**Darrin M. Margulies Trust created under the  
Grover Trust Agreement dated 10-15-86, as amended**

By: Gloria G. Margulies, Trustee

Marc Kantor

Joe A. Clem

John E. Clem



Geraldine Clem Bolen

*The Estate of Janice Clem Pace, deceased*

*Janice Clem Pace by Mark Kantor Personal Representative*  
Janice Clem Pace, deceased

**Individual Acknowledgement**

STATE OF ARIZONA §  
COUNTY OF NAVAJO §

This instrument was acknowledged before me on the 2 day of July, 2004, by Mark V. Pace.

  
Notary Public in and for the State of Nav. 2, 2003



**Individual Acknowledgement**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

**Corporate Acknowledgement**

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_.

## COMMUNITIZATION AGREEMENT

(South Culebra Bluff "23" #15 Well, Eddy County, NM)

This Agreement is between the parties set out on the Exhibit "A" attached hereto, hereinafter being referred to as "the Parties".

WHEREAS, The Parties own royalty, working interests and other leasehold interests in the existing production units of the South Culebra Bluff "23" #11 Well (Tract 1), South Culebra Bluff #4B Well (Tract 2), South Culebra Bluff #3B Well (Tract 3) and the South Culebra Bluff "23" #12 Well (Tract 4) located in Section 23, T23S, R28E, Eddy County, NM; and

WHEREAS, RB Operating Company is desirous of drilling the South Culebra Bluff "23" #15 well located between the four wells set out above. Because this well is considered an "increased density well", it can not be drilled without the prior approval of the New Mexico Oil Conservation Division; and

WHEREAS, the Parties are desirous of reducing to writing their mutual consent and approval to allow RB Operating Company the right to drill the South Culebra Bluff "23" #15 well within the proposed drilling unit.

NOW, THEREFORE, for the adequate, mutual and reciprocal considerations hereinafter set forth, the Parties hereby agree as follows:

1. The lands covered by this Agreement (the "Proposed Drilling Unit") are depicted on the plat attached to this Agreement as Exhibit "C," and are described as follows:

All of the SW/4 NE/4 NE/4, SE/4 NW/4 NE/4, NW/4 SE/4 NE/4 & NE/4 SW/4 NE/4 of Section 23, T23S, R28E, Eddy County, NM containing forty (40) acres, more or less, limited in depth as to the Delaware Mountain Group at a depth of 2,630 feet to 6,249 feet as found in the South Culebra Bluff #4B well located 560' FEL & 660' FNL of Section 23, T23S, R28E, Eddy County, NM (hereinafter referred to as the "Communitized Lands").

2. The Parties hereby mutually approve the drilling of the South Culebra Bluff "23" #15 well within the Proposed Drilling Unit, and agree to communitize and pool their respective mineral and leasehold interests in the Communitized Lands for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this Agreement.
3. The Parties agree as to the ownership of the royalty, working interests and other leasehold interests in the Proposed Drilling Unit is as set out on the Exhibit "B" attached hereto. This Agreement shall not have any affect on the respective ownership of the royalty, working interests and other leasehold interests in the existing wells in Tracts 1 thru 4 set out on the Exhibit "C" attached hereto.
4. This Agreement shall not be construed as a cross conveyance, but as a stipulation of ownership between the Parties in and to the oil and gas produced from the well. It shall remain in force and effect for so long as oil and/or gas is being produced from the Communitized Lands.
5. RB Operating will make a diligent effort to obtain the approval to drill the South Culebra Bluff "23" #15 well from the New Mexico Oil Conservation Division.

EXHIBIT

L-2

6. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of the existing Operating Agreement.
7. In the event the South Culebra Bluff "23" #15 well has not been spudded by July 1, 2005, this agreement shall expire.
8. This agreement shall not amend any existing agreements covering the Proposed Drilling Unit, including, but not limited to, the Operating Agreement, Oil and Gas Leases, Division Orders, etc.
9. This Agreement shall become effective upon the proper execution and approval of one-hundred percent (100%) of the Parties.
10. The covenants in this Agreement shall be construed to be covenants running with the land with respect to the communitized interests of the Parties and their successors in interests until this Agreement terminates. Any grant, transfer, or conveyance of any land or interest subject to this Agreement, whether voluntary or not, shall be and is conditioned on the assumption of all obligations of this Agreement by the grantee, transferee, or other successor in interest.
11. This Agreement shall be binding on the Parties and shall extend to and be binding on their respective heirs, executors, administrators, successors, and assigns.
12. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring to it, and shall be binding on all Parties who have executed a counterpart, ratification or consent with the same force and effect as if all Parties had signed the same document.

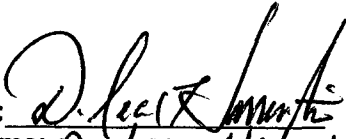
The Parties have executed this 22 day of September, 2004, however, shall not become effective upon the proper execution and approval of one-hundred percent (100%) of the Parties.

**WORKING INTEREST OWNERS**

**Chesapeake Permian, L. P.**

By: \_\_\_\_\_  
Name:  
Title:

**RB Operating Company**

By:   
Name: D. NEWK HARRINGTON  
Title: U P LAND

**Individual Acknowledgement**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

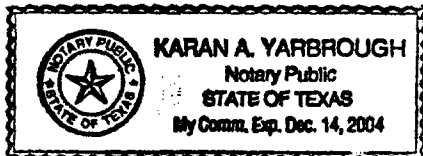
**Corporate Acknowledgement**

STATE OF Texas §

COUNTY OF Tarrant §

This instrument was acknowledged before me on the 22<sup>nd</sup> day of September, 2004, by Neal Harrington, Vice President of RB Operating Company, a Delaware corporation, on behalf of said corporation.

Karan A. Yarbrough  
Notary Public in and for the State of  
Texas.



**Trustee Acknowledgement**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_, Trustee of the \_\_\_\_\_, on behalf of said Trust.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_.

6. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of the existing Operating Agreement.
7. In the event the South Culebra Bluff "23" #15 well has not been spudded by July 1, 2005, this agreement shall expire.
8. This agreement shall not amend any existing agreements covering the Proposed Drilling Unit, including, but not limited to, the Operating Agreement, Oil and Gas Leases, Division Orders, etc.
9. This Agreement shall become effective upon the proper execution and approval of one-hundred percent (100%) of the Parties.
10. The covenants in this Agreement shall be construed to be covenants running with the land with respect to the communitized interests of the Parties and their successors in interests until this Agreement terminates. Any grant, transfer, or conveyance of any land or interest subject to this Agreement, whether voluntary or not, shall be and is conditioned on the assumption of all obligations of this Agreement by the grantee, transferee, or other successor in interest.
11. This Agreement shall be binding on the Parties and shall extend to and be binding on their respective heirs, executors, administrators, successors, and assigns.
12. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring to it, and shall be binding on all Parties who have executed a counterpart, ratification or consent with the same force and effect as if all Parties had signed the same document.

The Parties have executed this 28<sup>th</sup> day of July, 2004, however, shall not become effective upon the proper execution and approval of one-hundred percent (100%) of the Parties.

#### WORKING INTEREST OWNERS

**Chesapeake Permian, L. P.**

By: 

Name: Henry J. Hood

Title: Senior Vice President - Land and Legal  
of Chesapeake Operating, Inc.  
General Partner of Chesapeake Permian, LP  
RB Operating Company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Individual Acknowledgement

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_.

Corporate Acknowledgement

STATE OF Oklahoma §  
COUNTY OF Grady §

This instrument was acknowledged before me on the 28<sup>th</sup> day of July, 2004, by Henry J. Hood, Senior Vice Pres. - 1 and and legal of Chesapeake Operating Inc., General Partner of Chesapeake, a(n) Oklahoma corporation, on behalf of said corporation. Permian LP



Jamie R. Brodsky  
Notary Public in and for the State of  
Oklahoma.

Trustee Acknowledgement

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_, Trustee of the \_\_\_\_\_, on behalf of said Trust.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_.



**OVERRIDING ROYALTY INTEREST OWNER**

Wells Fargo F. B. O. Donald Paape

By: \_\_\_\_\_

Name:

Title:

**ROYALTY OWNERS**

Stennis Family Trust

By: \_\_\_\_\_

*Maria Stennis, Trustee*  
Maria Stennis, Trustee

\_\_\_\_\_  
Johnny L. Reid

\_\_\_\_\_  
Jackie L. Reid

**Individual Acknowledgement**

STATE OF \_\_\_\_\_ §

§

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_.

SEE ATTACHMENT FOR  
OFFICIAL NOTARIZATION

\_\_\_\_\_  
Notary Public in and for the State  
of \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

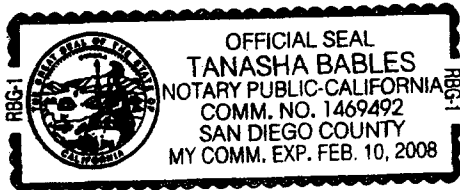
State of California

County of San Diego } ss.

On July 21, 2004 before me, Tanasha Bables, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
personally appeared Maria Stennis

Name(s) of Signer(s)

- ☐ personally known to me  
☒ proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Tanasha Bables  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: Communitization Agreement  
Document Date: 7-21-04 Number of Pages: 4

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

Signer's Name: Maria Stennis

- ☒ Individual  
☐ Corporate Officer — Title(s): \_\_\_\_\_  
☐ Partner — ☐ Limited ☐ General  
☐ Attorney-in-Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER  
Top of thumb here

**OVERRIDING ROYALTY INTEREST OWNER**

Wells Fargo F. B. O. Donald Paape

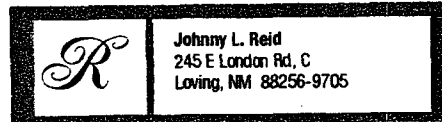
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ROYALTY OWNERS**

Stennis Family Trust

By: \_\_\_\_\_  
Maria Stennis, Trustee

Johnny L. Reid  
Johnny L. Reid



Jackie L. Reid  
Jackie L. Reid

**Individual Acknowledgement**

STATE OF New Mexico §  
§  
COUNTY OF Eddy §

This instrument was acknowledged before me on the 7<sup>th</sup> day of August, 2004, by Johnny L. Reid.

*my Commission Expires*  
8-13-07

Melissa Walker  
Notary Public in and for the State  
of New Mexico.

**Individual Acknowledgement**

STATE OF New Mexico §  
§  
COUNTY OF Eddy §

This instrument was acknowledged before me on the 7<sup>th</sup> day of August, 2004, by Jackie L. Reed.

My Commission Expires:  
8-13-07

Melissa Walker  
Notary Public in and for the State  
of New Mexico.

**Corporate Acknowledgement**

STATE OF \_\_\_\_\_ §  
§  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

**Trustee Acknowledgement**

STATE OF \_\_\_\_\_ §  
§  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_, Trustee of the \_\_\_\_\_, on behalf of said Trust.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

attached to and made a part of that certain Cooperative Agreement by and between RB Operating Company, et al.

**Exhibit "A"**

**Carrasco "14" #2 Well (Tract 1), Carrasco "14" #3 Well (Tract 2), South Culebra Bluff #2B Well (Tract 3) & Carrasco "14" #5 Well (Tract 4)**

Owner Name	Working Interest	Net Revenue Interest
Chesapeake Permian, L. P.	0.50000000	0.40798611
RB Operating Company	0.50000000	0.40507311
Esther Lee Baker Trust		0.03437500
Candelario Carrasco, Jr. and Emma Carrasco		0.02343750
Robert H. Northington *		0.00036309
Wells Fargo F. B. O. Donald Paape *		0.00254991
Celia C. Valdez		0.00585938
Bogle Oil, Inc.		0.01953125
Richard and Dea Holesapple		0.00390625
Marsha Kantor		0.00347222
Renee Ann Levine-Blonder		0.00187500
Darrin M. Margulies Trust created under the Grover Trust Agreement dated 10-15-86, as amended		0.00187500
Marc Kantor		0.00347223
Joe A. Clem		0.00585937
John E. Clem		0.00585937
Geraldine Clem Bolen		0.00390626
Janice Clem Pace		0.00390625
Judith Hamilton Fuhr		0.00390625
Emil Berger		0.01388889
Solomon N. Grover Trust Agreement dated 10/10/2000		0.00937500
Concepcion Onsurez		0.00585937
Shayna Levine-Hoffman		0.00187500
Dale Goldman		0.00347222
William Kantor, M.D.		0.00347222
Wife's Trust created under the David L. & Gloria G. Margulies Trust Agreement dated 10-31-2000		0.00937500
Julee Margulies-Metz		0.00187500
Melinda Thompson		0.00292969
Corina C. Urquidez		0.00585937
Danielle Levine-Baum		0.00187500
Greg Martinez, Jr.		0.00292969
<b>Totals</b>	<b>1.00000000</b>	<b>1.00000000</b>

\* Overriding Royalty Interest



**Exhibit "B"**

**Carrasco "14" #4 Well (Proposed Drilling Unit)**

<b>Owner Name</b>	<b>Working Interest</b>	<b>Net Revenue Interest</b>
Chesapeake Permian, L. P.	0.50000000	0.40798611
RB Operating Company	0.50000000	0.40507311
Esther Lee Baker Trust		0.03437500
Candelario Carrasco, Jr. and Emma Carrasco		0.02343750
Robert H. Northington *		0.00036309
Wells Fargo F. B. O. Donald Paape *		0.00254991
Celia C. Valdez		0.00585938
Bogle Oil, Inc.		0.01953125
Richard and Dea Holesapple		0.00390625
Marsha Kantor		0.00347222
Renee Ann Levine-Blonder		0.00187500
Darrin M. Margulies Trust created under the Grover Trust Agreement dated 10-15-86, as amended		0.00187500
Marc Kantor		0.00347222
Joe A. Clem		0.00585937
John E. Clem		0.00585937
Geraldine Clem Bolen		0.00390626
Janice Clem Pace		0.00390625
Judith Hamilton Fuhr		0.00390625
Emil Berger		0.01388889
Solomon N. Grover Trust Agreement dated 10/10/2000		0.00937500
Concepcion Onsurez		0.00585937
Shayna Levine-Hoffman		0.00187500
Dale Goldman		0.00347222
William Kantor, M.D.		0.00347222
Wife's Trust created under the David L. & Gloria G. Margulies Trust Agreement dated 10-31-2000		0.00937500
Julee Margulies-Metz		0.00187500
Melinda Thompson		0.00292969
Corina C. Urquidez		0.00585937
Danielle Levine-Baum		0.00187500
Greg Martinez, Jr.		0.00292969
<b>Totals</b>	<b>1.00000000</b>	<b>1.00000000</b>

\* Overriding Royalty Interest



**Exhibit "A"**

**South Culebra Bluff "23" #11 Well (Tract 1) & South Culebra Bluff #3B Well (Tract 3)**

Owner Name	Working Interest	Net Revenue Interest
Chesapeake Permian, L. P.	0.50000000	0.40625000
RB Operating Company	0.50000000	0.40371094
Wells Fargo F. B. O. Donald Paape *		0.00253906
Johnny L. Reid and Jackie L. Reid		0.18750000
<b>Totals</b>	<b>1.00000000</b>	<b>1.00000000</b>

**South Culebra Bluff #4B Well (Tract 2) & South Culebra Bluff "23" #12 Well (Tract 4)**

Owner Name	Working Interest	Net Revenue Interest
Chesapeake Permian, L. P.	0.50000000	0.40625000
RB Operating Company	0.50000000	0.40371094
Wells Fargo F. B. O. Donald Paape *		0.00253906
Stennis Family Trust		0.18750000
<b>Totals</b>	<b>1.00000000</b>	<b>1.00000000</b>

\* Overriding Royalty Interest



**Exhibit "B"**

**South Culebra Bluff "23" #15 Well (Proposed Drilling Unit)**

Owner Name	Working Interest	Net Revenue Interest
Chesapeake Permian, L. P.	0.50000000	0.40625000
RB Operating Company	0.50000000	0.40371094
Wells Fargo F. B. O. Donald Paape *		0.00253906
Stennis Family Trust **		0.09375000
Johnny L. Reid and Jackie L. Reid ***		0.09375000
<b>Totals</b>	<b>1.00000000</b>	<b>1.00000000</b>

\* Overriding Royalty Interest

\*\* Surface Owner (E/2 NE/4 of Section 23)

\*\*\* Surface Owner (W/2 NE/4 of Section 23)

