

**KELLAHIN AND  
KELLAHIN**

Attorney at Law  
706 Gonzales Road  
Santa Fe, New Mexico  
87501

Ph 505-982-4285  
Fx: 505-982-2047  
tkellahin@comcast.net

**FAX TRANSMITTAL FORM**

To

Name: Florene Davidson  
Agency: OCD  
Phone number:  
Fax number: 505-476-3462

From

W. Thomas Kellahin  
  
Ph 505-982-4285  
Fx: 505-982-2047  
tkellahin@comcast.net

- Urgent
- For Review
- Please Comment
- Please Reply

Date sent: 2-22-07  
Time sent: 7:35 am  
Number of pages including cover page:

-5-

*Florene:*

*Please find attached my prehearing statement on behalf of  
Range Operating New Mexico, Inc. for Division Case 13875.*

*Thanks,*



**NOTICE OF CONFIDENTIALITY**

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS CONFIDENTIAL AND INTENDED FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED ABOVE. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING IT TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION, COPYING, OR UNAUTHORIZED USE OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS FACSIMILE IN ERROR, PLEASE NOTIFY THE SENDER IMMEDIATELY BY TELEPHONE AND RETURN THE FACSIMILE TO THE SENDER AT THE ABOVE ADDRESS. THANK YOU.

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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF HEARING:**

**CASE 13875**

**APPLICATION OF RANGE OPERATING NEW MEXICO, INC.  
TO AMEND DIVISION ORDER R-12601  
EDDY COUNTY, NEW MEXICO**

**PRE-HEARING STATEMENT**

**Range Operating New Mexico, Inc. submits this pre-hearing statement as required  
by the New Mexico Oil Conservation Division.**

**APPEARANCES OF THE PARTIES**

**APPLICANT**

**ATTORNEY**

**Range Operating New Mexico, Inc.  
777 Main St. Suite 800  
Fort Worth, Texas 76102  
Attn: Robert Ebeier  
817-810-1987**

**Thomas Kellahin, Esq.  
P. O. Box 2265  
Santa Fe, New Mexico 87504  
505-982-4285**

**OPPONENTS**

**ATTORNEY**

None

None

**STATEMENT OF THE CASE****APPLICANT:**

Range Operating New Mexico, Inc. ("Range") seeks an amendment to Division Order R-12601 so that three of the six previously approved unorthodox injection wells location can be relocated all within Township 23 South, Range 28 East, as follows:

**(1) SCB 23-18 Well:**

**Old Surface:** 1815 feet FNL and 1200 feet FWL of Section 23 (Unit D)  
**Old Bottom hole:** 1000 feet FNL and 1300 feet FWL of Section 23 (Unit E)

**New Surface:** 1883 feet FNL and 1052 feet FWL of Section 23 (Unit D)  
**New Bottom hole:** 1000 feet FNL and 1300 feet FWL of Section 23 (Unit E)

**(2) SCB 23-20 Well:**

**Old Surface & Bottom hole:** 2520 feet FSL and 2460 feet FEL of Section 23 (Unit J)

**New Surface & Bottom hole:** 2460 feet FSL and 2460 feet FEL of Section 23 (Unit J)

**(3) SCB 23-21 Well:**

**Old Surface & Bottom hole:** 2531 FSL and 1252 FEL of Section 23 (Unit I)  
**New Surface & Bottom hole:** 2460 FSL and 1160 FEL of Section 23 (Unit I)

for the East Loving-Delaware Leasehold Pilot Waterflood Project and in support states:

Range is the operator of the East Loving-Delaware Pilot Waterflood Project that consists of 480-acre of fee lands, consisting of 6 different oil and gas leases, described as follows:

Township 23 South, Range 28 East, NMPM  
Section 23:

Tract 1: W/2NW/4, SE/4NW/4 and SW/4NE/4 (160-acres)

Tract 2: NE/4NW/4 and NW/4NE/4 (80-acres)

Tract 3: E/2NE/4 (80) acres)

Tract 4: N/2SW/4 (80-acres)

Tract 5: N/2SE/4 (80-acres)

The Project is within the boundaries of the East Loving-Brushy Canyon Pool (formerly East Loving-Delaware Pool).

The Division by Order R-12601, dated July 26, 2006, approved this waterflood project for the injection of produced water from the Brushy Canyon formation of the Delaware Group in and around the pilot area, and in addition water as needed from a Cherry Canyon formation source well into the Brushy Canyon portions of the East Loving-Brushy Canyon Pool pursuant to a plan of operations.

In order to proceed with this approved project, Range proposes that three of the six injection wells be moved such that the surface and bottom hole locations will be within Tract 1 and Tract 5 of Section 23. See wellbore list for all injection wells attached as Exhibit "B" to the application.

The SCB-23-18 is being moved at the request of the landowner. The SCB 23-20 and SCB 23-21 are being moved to avoid a BP pipeline and El Paso pipeline, respectively.

By doing so, Range can then drill these injection wells in accordance with the implied easements available pursuant to the oil and gas lease for Tract 1 and Tract 5 that is held by Range as the oil and gas lessee or in accordance with the terms and conditions of the Injection Agreements executed by the necessary parties.

The amended locations do not adversely affect the planned pattern for the relationship between the injectors and the producing wellbores.

Approval of the proposed changes in the injection well locations should still provide an opportunity to recover additional oil and gas reserves from the project that may otherwise not be recovered, thereby preventing waste and protecting correlative rights.

Moving the location will not add or subtract any wellbores from the "area of review" previously examined and approved by the Division.

A copy of this application including notice of hearing was send to all mineral interest owners, including royalty and overriding royalty owners, within Section 23, T23S, R28E, NMPM as set forth on Exhibit "C" attached to the application.

## PROPOSED EVIDENCE

### APPLICANT

### WITNESSES

### EST. TIME

### EST. EXHIBITS

To be submitted by Affidavit

**PROCEDURAL MATTERS**

**None**

**KELLAHIN & KELLAHIN**  


**W. Thomas Kellahin**  
**P. O. Box 2265**  
**Santa Fe, New Mexico 87504**  
**Phone 505-982-4285**  
**Fax 505-982-2047**  
**E-mail: kellahin@earthlink.net**

**CERTIFICATE OF SERVICE**

I certify that on February 22, 2007, I served a copy of the foregoing documents by:

- US Mail, postage prepaid
- Hand Delivery
- Facsimile

to the following:

**David K. Brooks, Esq. (OCD)**  
**Fax 505-476-3462**

  
 \_\_\_\_\_  
**W. Thomas Kellahin**