

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



549

ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

- [1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [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 _____	Title _____	Date _____
e-mail Address _____			

RB OPERATING COMPANY

777 MAIN STREET, SUITE 800
FORT WORTH, TEXAS 76102
817.870.2601
817.870.2316 (FAX)

January 21, 2005

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: **South Culebra Bluff 3-B Tank Battery**
Eddy County, NM

Gentlemen:

RB Operating Company requests administrative approval for commingling of production of the following wells located in Section 23, T23S, R28E, Eddy County, NM:

<u>WELL</u>	<u>API Number</u>
Donaldson Community 'A' 1	30-015-22404
SCB 23-15	30-015-33783
SCB 23-5	30-015-26294
SCB 23-4	30-015-26285
SCB 23-13	30-015-30164
SCB 3-B	30-015-22700

The current SCB 3-B Tank Battery services the production from the Donaldson Community 'A' 1 well and the SCB 3-B well. RB Operating is requesting the consolidation of the Tank Batteries for the wells listed above into the SCB 3-B Tank Battery. The new proposed SCB 3-B Tank Battery will have separate oil, water, and gas metering of the Donaldson Community 'A' 1 and the SCB 23-15 wells, which have diversity of ownership from the other wells producing into the Tank Battery. The SCB 23-5, SCB 23-4, SCB 23-13, and the SCB 3-B wells (which have identical ownership) will be metered through common oil, water, and gas meters, but these wells will also be tested through a test separator with separate oil, water, and gas meters to obtain accurate well tests. Thus, all wells in the proposed SCB 3-B Tank Battery will be metered for oil, gas, and water prior to commingling production in the oil and water tanks. All meters in the SCB 3-B Tank Battery will be calibrated on a regular basis per API and NMOCD specifications. A schematic of the proposed SCB 3-B Tank Battery is also attached.

The royalty owners, overriding royalty owners, working interest owners, and the NMOCD have been notified of this proposal by certified mail (please see attached receipt list).

The commingling of production into the SCB 3-B Tank Battery is proposed to reduce operating expenses for the above referenced wells, resulting in an increase in the economic life of the wells. We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Should you have any questions, please do not hesitate to contact me at 817.870.2601.

Very truly yours,

A handwritten signature in cursive script that reads "Bill Frey".

Bill Frey
Engineering Consultant

Enclosures

XC : Royalty Owners
Overriding Royalty Interest Owners
Working Interest Owners

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: RB Operating Company
OPERATOR ADDRESS: 777 Main Street Suite 800 Fort Worth TX 76102

APPLICATION TYPE:
 Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

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

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

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Loving; Brushy Canyon, East 40350	40.9/1316	40.9/1316			

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

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

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

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

(1) Complete Sections A and E.

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

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

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

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

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

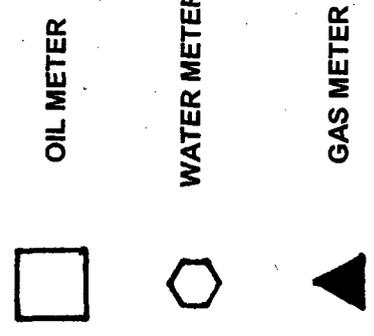
SIGNATURE: Linda C. Stiles TITLE: Sr. Engineering Tech DATE: 01/14/2005
TYPE OR PRINT NAME Linda C Stiles TELEPHONE NO.: 817/810-1908
E-MAIL ADDRESS: lstiles@rangeresources.com

TRUCK SALES

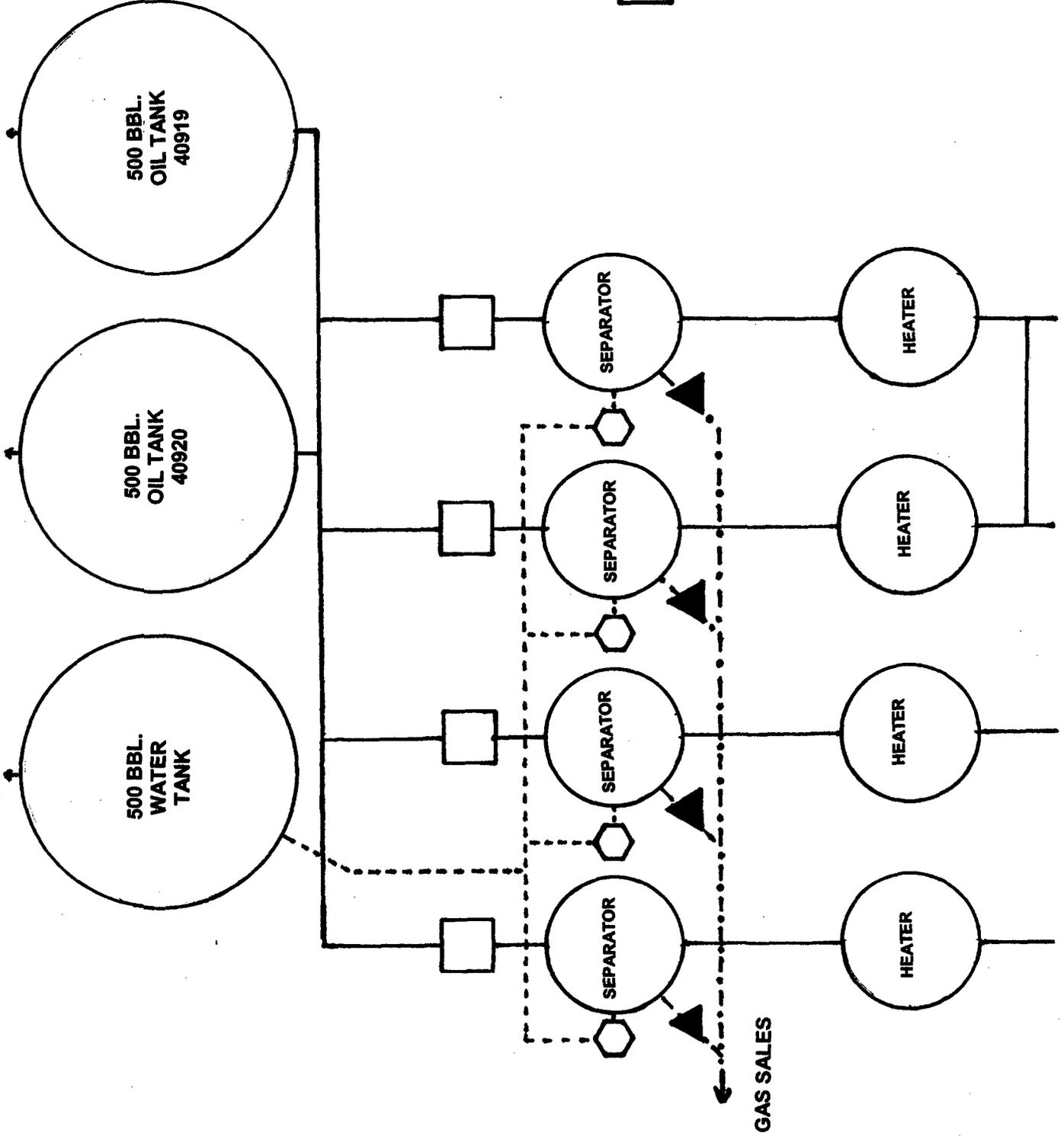
TRUCK SALES

WATER DISPOSAL

SCB 3-B TANK BATTERY



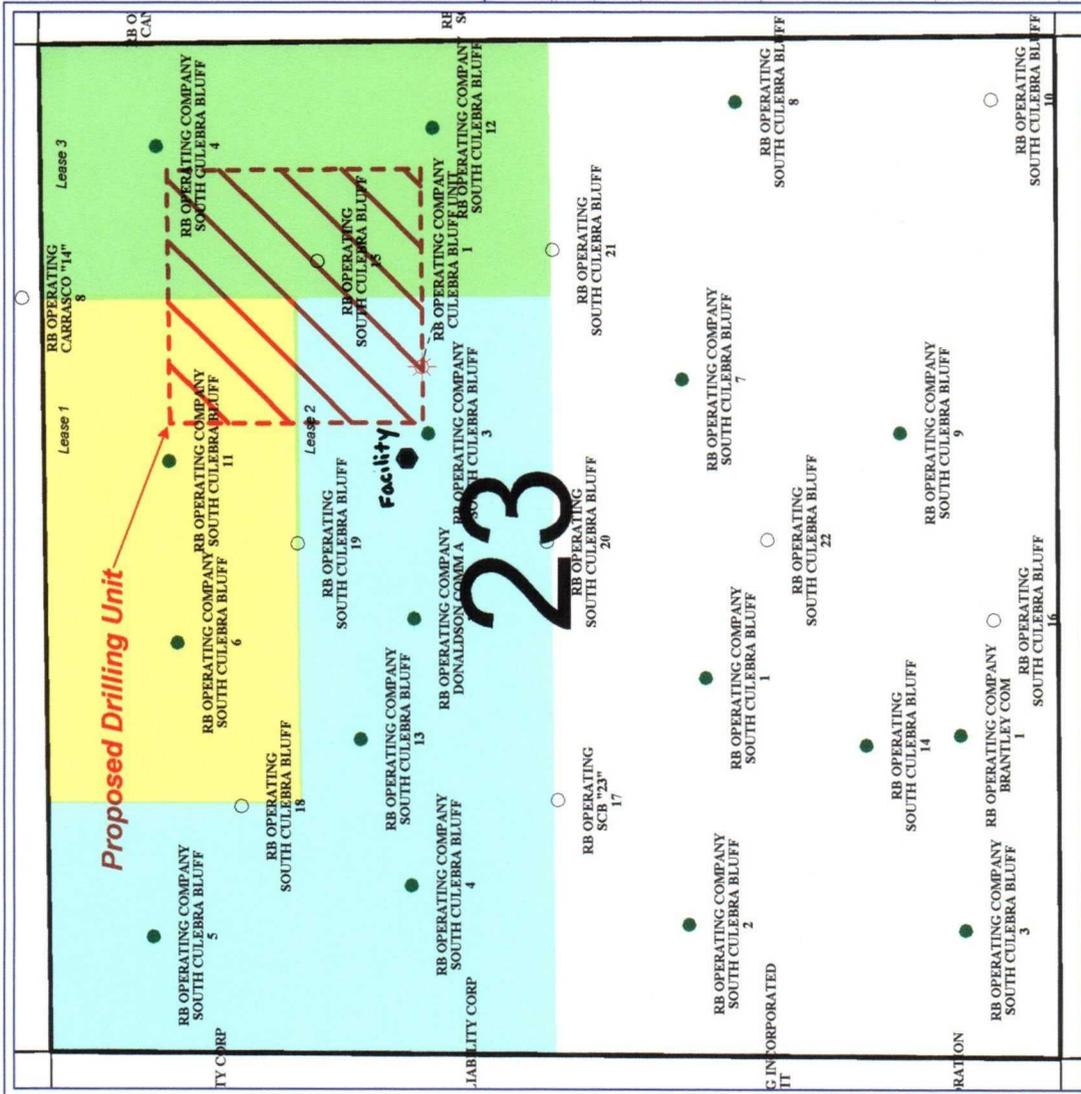
RB OPERATING
EDDY CO., NM



DONALDSON
COMM. 'A' 1

SCB 23-15

SCB 23-5
SCB 23-4
SCB 23-13
SCB 3-B



RB OPERATING

EDDY COUNTY, NEW MEXICO

LEASE OWNERSHIP SURFACE CO-MINGLED



POSTED WELL DATA

Operator
Well Name
Well Number

WELL SYMBOLS
 ○ Location Only
 ● Oil Well
 ☆ Gas Well

January 21, 2005

T-238-R 28E

RB OPERATING
 EDDY COUNTY, NEW MEXICO
 LEASE OWNERSHIP SURFACE COMINGLING

INTEREST OWNER	ATTENTION LINE	STREET ADDRESS	STATE ADDRESS	STATE ZIP CODE	CERTIFIED MAIL RECEIPT
CHESAPEAKE PERMIAN LP		P O BOX 960161	OKLAHOMA CITY OK	73196-0161	7001 1940 0004 6561 2262
DONALD PAAPE		P O BOX 3	FORT DAVIS TX	79734	7001 1940 0004 6561 2279
STENNIS FAMILY TRUST, MARIA STENNIS TRUSTEE		200 MICHELLE DRIVE	SANTA FE NM	87501	7001 1940 0004 6561 2286
JOHNNY L REID & JACKIE L REID		245 E LONDON RD	LOVING NM	88256	7001 1940 0004 6561 2293
LUCILLE PAAPE		14911 WUNDERLICH #1807	HOUSTON TX	77069	7001 1940 0004 6561 2309