

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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|-------------------------------|
| 1. Operator Name and Address RANGE OPERATING NEW MEXICO INC 777 Main Street Fort Worth, TX 76102 | | 2. OGRID Number 227588 |
| | | 3. API Number 30-025-37540 |
| 4. Property Code 301551 | 5. Property Name NEW MEXICO M STATE | 6. Well No. 055 |

7. Surface Location

| | | | | | | | | | |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| E | 17 | 22S | 37E | E | 1650 | N | 990 | W | LEA |

8. Pool Information

| | |
|------------------------------|-------|
| EUNICE,SAN ANDRES, SOUTHWEST | 24180 |
|------------------------------|-------|

Additional Well Information

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|--|----------------------------|--|-------------------------|---|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type State | 13. Ground Level Elevation 3401 |
| 14. Multiple N | 15. Proposed Depth 4500 | 16. Formation San Andres Formation | 17. Contractor | 18. Spud Date |
| Depth to Ground water 70 | | Distance from nearest fresh water well > 1000 | | Distance to nearest surface water > 1000 |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 20 miles thick Clay <input type="checkbox"/> Pit Volume: 6200 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> | | | | |

19. Proposed Casing and Cement Program

| | | | | | | |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Type | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
| Surf | 12.25 | 8.625 | 24 | 1200 | 600 | 0 |
| Prod | 7.875 | 5.5 | 15.5 | 4500 | 400 | 1000 |

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

| | | | |
|-----------|------------------|---------------|--------------|
| Type | Working Pressure | Test Pressure | Manufacturer |
| DoubleRam | 3000 | 3000 | Schaeffer |

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|---|---------------------------------|----------------------------|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC D guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | OIL CONSERVATION DIVISION | |
| | Approved By: Paul Kautz | |
| | Title: Geologist | |
| | Approved Date: 11/3/2005 | Expiration Date: 11/3/2006 |
| | Conditions of Approval Attached | |

| | |
|--|---------------------|
| Printed Name: Electronically filed by Linda Stiles | |
| Title: Sr Engineering Tech | |
| Email Address: lstiles@rangeresources.com | |
| Date: 11/3/2005 | Phone: 817-810-1908 |

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720
District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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Santa Fe, NM 87505

Form C-102
Permit 18086

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|--|--|
| 1. API Number 30-025-37540 | 2. Pool Code 24180 | 3. Pool Name EUNICE,SAN ANDRES, SOUTHWEST |
| 4. Property Code 301551 | 5. Property Name NEW MEXICO M STATE | 6. Well No. 055 |
| 7. OGRID No. 227588 | 8. Operator Name RANGE OPERATING NEW MEXICO INC | 9. Elevation 3401 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|---------------|
| UL - Lot E | Section 17 | Township 22S | Range 37E | Lot Idn | Feet From 1650 | N/S Line N | Feet From 990 | E/W Line W | County LEA |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|---------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|------------------------------|---------------------|------------------------|---------------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| 12. Dedicated Acres 40.00 | 13. Joint or Infill | 14. Consolidation Code | 15. 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

| | | | | | | | | | | | | | | | | | | | | | | | | | |
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Permit Conditions of Approval

Operator: RANGE OPERATING NEW MEXICO INC , 227588

Well: NEW MEXICO M STATE #055

API: 30-025-37540

| OCD Reviewer | Condition |
|-----------------|---|
| pkautz | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |
| pkautz | prior to any pit construction notify Gary Wink at 505-393-6161 ext 114 |