

1/24/06

WJS

DHC-3629

PWTJ0602438625

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

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

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Range Operating New Mexico, Inc. 777 Main St., Ste. 800, Fort Worth, TX 76102

Operator Address
Grizzell 2 J 5 22S 37E Lea
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 227588 Property Code 301549 API No. 30-025-10067 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Penrose-Skelly Grayburg		Penrose Southwest Eunice San Andres OIL
Pool Code	50350		24150 24180
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3450 - 3754		3837 - 4115
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	33.9		
Producing, Shut-In or New Zone	Producing		New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 11-18-05 Rates: 2.4 BOPD, 91 MCFD	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil <u>Water</u> Gas 50 % 50 %	Oil Gas % %	Oil <u>Water</u> Gas 50 % 50 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
 If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No
 Are all produced fluids from all commingled zones compatible with each other? Yes No
 Will commingling decrease the value of production? Yes No
 If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Paula Hale TITLE Sr. Reg. Sp. DATE 1-23-06

TYPE OR PRINT NAME Paula Hale TELEPHONE NO. (817) 810-1916

E-MAIL ADDRESS phale@rangeresources.com

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State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

AMENDED REPORT

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 St., Ste. 800 Fort Worth, TX 76102		² OGRID Number 227588
³ Property Code 301549	⁴ Property Name Grizzell	⁵ API Number 30-025-10067
⁹ Proposed Pool 1 Eunice San Andres Southwest		⁶ Well No. 2
⁹ Proposed Pool 2		

⁷ 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	5	22S	37E		1980	South	1980	East	Lea

⁸ Proposed 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

Additional Well Information

¹¹ Work Type Code P	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3406
¹⁶ Multiple N	¹⁷ Proposed Depth	¹⁸ Formation	¹⁹ Contractor	²⁰ Spud Date
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method:				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
No Change					

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to re-enter wellbore, squeeze Drinkard perms (6515 - 6580'), perforate the Eunice San Andres Southwest (3874 - 4075') and down hole commingle with existing perforations in the Penrose-Skelly Grayburg (3450 - 3754').

Permit Expires 1 Year From Approval Date Unless Drilling Underway
Plugback

Oil Conservation Division
Conditions of approval: Approval for drilling ONLY
-- CANNOT produce Downhole Commingled until
DHC is approved in Santa Fe.



²³ 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 NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .

Printed name: Paula Hale

Title: Sr. Reg. Sp.

E-mail Address: phale@rangeresources.com

Date: 11/07/05

Phone: 817/810-1916

OIL CONSERVATION DIVISION

Approved by:

PETROLEUM ENGINEER

Approval Date:

Expiration Date:

NOV 10 2005
Conditions of Approval Attached

District I
 PO Box 1980, Hobbs, NM 88241-1980
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 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10067		¹ Pool Code 24180		¹ Pool Name Eunice San Andres Southwest	
⁴ Property Code 301549		⁴ Property Name Grizzell			⁴ Well Number 2
¹ OGRID No. 227588		¹ Operator Name Range Operating New Mexico, Inc.			⁴ Elevation 3440

¹⁰ 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	5	22S	37E		1980	South	1980	East	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

16					<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p>  <p>Signature</p> <p>Paula Hale Printed Name</p> <p>Sr. Reg. Sp. Title</p> <p>Date 11/07/05</p>
				1980	
				1980	<p>Certificate Number</p>

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 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10067		² Pool Code 19190		³ Pool Name Drinkard	
⁴ Property Code 013029 now 301544		⁵ Property Name Grizzell			⁶ Well Number 2
⁷ OGRID No. 025616 now 227588		⁸ Operator Name now Range Zia Energy, Inc. Operating			⁹ Elevation 3440

¹⁰ Surface Location

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16				¹⁷ OPERATOR CERTIFICATION	
				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
			 Signature		Scott Nelson
			Printed Name		Engineer
			Title		
			Date		11/9/1999
			¹⁸ 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		
			Date		
			of Survey		
			Signature and Seal of Professional Surveyer:		
			Certificate Number		