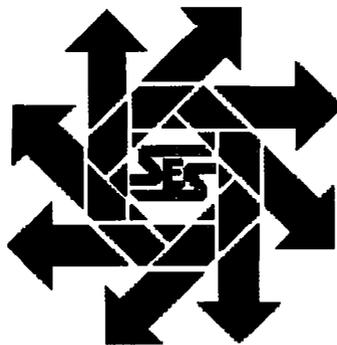
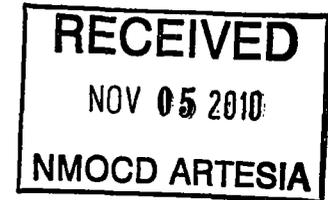


**Range Operating New Mexico, Inc.
SCB 23-19 Injection Facility
Section 23, Township 23 South, Range 28 East
Eddy County, New Mexico**

Closure Report

September 28, 2010



Prepared for:

**Range Operating New Mexico, Inc.
281 North New Mexico Highway 248/ P.O. Box 1570
Eunice, New Mexico 88231**

By:

**Safety & Environmental Solutions, Inc.
703 East Clinton Street
Hobbs, New Mexico 88240
(575) 397-0510**

RECEIVED
NOV 05 2010
NMOCD ARTESIA

TABLE OF CONTENTS

I. COMPANY CONTACTS 1

II. BACKGROUND 1

III. SURFACE AND GROUND WATER 1

IV. WORK PERFORMED 1

V. CONCLUSION 2

VI. FIGURES & APPENDICES 2

Figure 1 - Vicinity Map 3

Figure 2 - Site Plan 4

Appendix A- Analytical Results 5

Appendix B- Site Photos 6

Appendix C- C-141 7

I. Company Contacts

| Representative | Company | Telephone | E-mail |
|------------------|--------------------------|--------------|--|
| Steve Almager | Range Operating NM, Inc. | 575-394-1485 | salmager@rangeresources.com |
| Sergio Contreras | SESI | 575-397-0510 | scontreras@sesi-nm.com |

II. Background

Safety and Environmental Solutions, Inc. (SESI) was engaged by Range Operating NM, Inc. to perform a site assessment at the SCB 23-19 Injection Facility. This is an active battery located in Section 23, Township 23 South, and Range 28 East. A 2" nipple eroded off the end of a check valve on the H-pump releasing approximately 300 barrels of produced water of which 290 was recovered.

III. Surface and Ground Water

According to the temporary monitor well installed on August 18, 2009 located in the northwest corner of the South Culebra 23 Well #7 location, the depth to water is estimated to be approximately 28' below ground level (bgl) accounting for an increase of 8' in elevation at the SCB 23-19 Injection Facility.

IV. Work Performed

On August 17, 2009, SESI was onsite to assess the affected area. The area was mapped using a Trimble Geo XM GPS. SESI observed that the release had runoff into the lined firewalls of the tank battery. The fluid had overflow onto the location on the north end then traveling approximately 200 yards to the east. A hand auger was utilized to attempt to delineate the spill area. A total of eight (8) auger holes were selected all resulting in auger refusal from 6" to 10" bgl.

On August 20, 2009, SESI was onsite with M&J Backhoe Services to attempt to delineate the spill area. A total of three (3) test trenches were installed to a depth of 10' bgl within the affected area. Due to the limited reach of the backhoe, the affected area was unable to be fully delineated. The backhoe was then utilized to excavate the affected areas to a depth of one (1) foot bgl removing the highly contaminated and saturated soils to prevent further migration. The excavated soils were transported to CRI a New Mexico Oil Conservation Division (NMOCD) approved facility for disposal.

On September 18, 2008 SESI was onsite with Eco Enviro Drilling to further delineate the affected areas utilizing and auger rig. A total of four (4) boreholes were installed to a depth of twenty (20) feet bgl within the affected areas. Due to the estimated depth of the water table, the affected area was unable to be fully delineated. Samples were collected from each borehole at a depth of 20' bgl. The samples were transported under chain of custody to Cardinal Labs of Hobbs, New Mexico for Chloride (EPA Method 4500-Cl⁻B).

The results of the analysis are as follows:

| Sample ID | Chlorides (mg/kg) |
|-----------|-------------------|
| BH#1. 20' | 2,000 |
| BH#2. 20' | 496 |
| BH#3. 20' | 288 |
| BH#4. 20' | 768 |

On September 24, 2009, SESI conducted a background sampling investigation to determine the chloride concentrations of the surrounding area. Soil samples were collected from the adjacent fields at the Range 4B, 23-11 and 23-7 locations. A water sample was also collected from an irrigation system in the adjacent field from the Range 23-6 location. The samples were transported under chain of custody to Cardinal Labs of Hobbs, New Mexico for Chloride (Method 4500-Cl⁻B). The results of the analysis are as follows:

| Sample ID | Chlorides (mg/kg) |
|-----------|-------------------|
| 4B | 6,320 |
| 23-11 | 3,280 |
| 23-7 | 8,000 |
| 23-6 | 3,040 |

On September 17, 2010, SESI was onsite to begin excavation of release area. The area was excavated to a depth of four (4) feet below grade surface. The highly contaminated soils were transported to a New Mexico Oil Conservation Division (NMOCD) approved facility for disposal. Approximately 1,340 yards of contaminated soils were transported to disposal. Five (5) samples were retrieved at a depth of 4 feet below grade surface at bottom of excavation and transported under Chain of Custody to Cardinal Laboratories to be analyzed for Chlorides (EPA Method 4500 B). The results are as follows:

| Sample ID | Chlorides (mg/kg) |
|-------------|-------------------|
| SP #1 4'bgs | 768 |
| SP #2 4'bgs | 416 |
| SP #3 4'bgs | 80 |
| SP #4 4'bgs | 1,540 |
| SP #5 4'bgs | 960 |

A 162' X 40' 20-mil reinforced geo-membrane liner was installed at bottom of excavation. The area was then backfilled with approximately 1,500 yards of caliche from an offsite facility and contoured to its natural grade.

Upon backfilling the firewall was then raised on the south side of location battery and injection well to a height of four (4) feet above ground to prevent any future contamination.

V. Conclusion

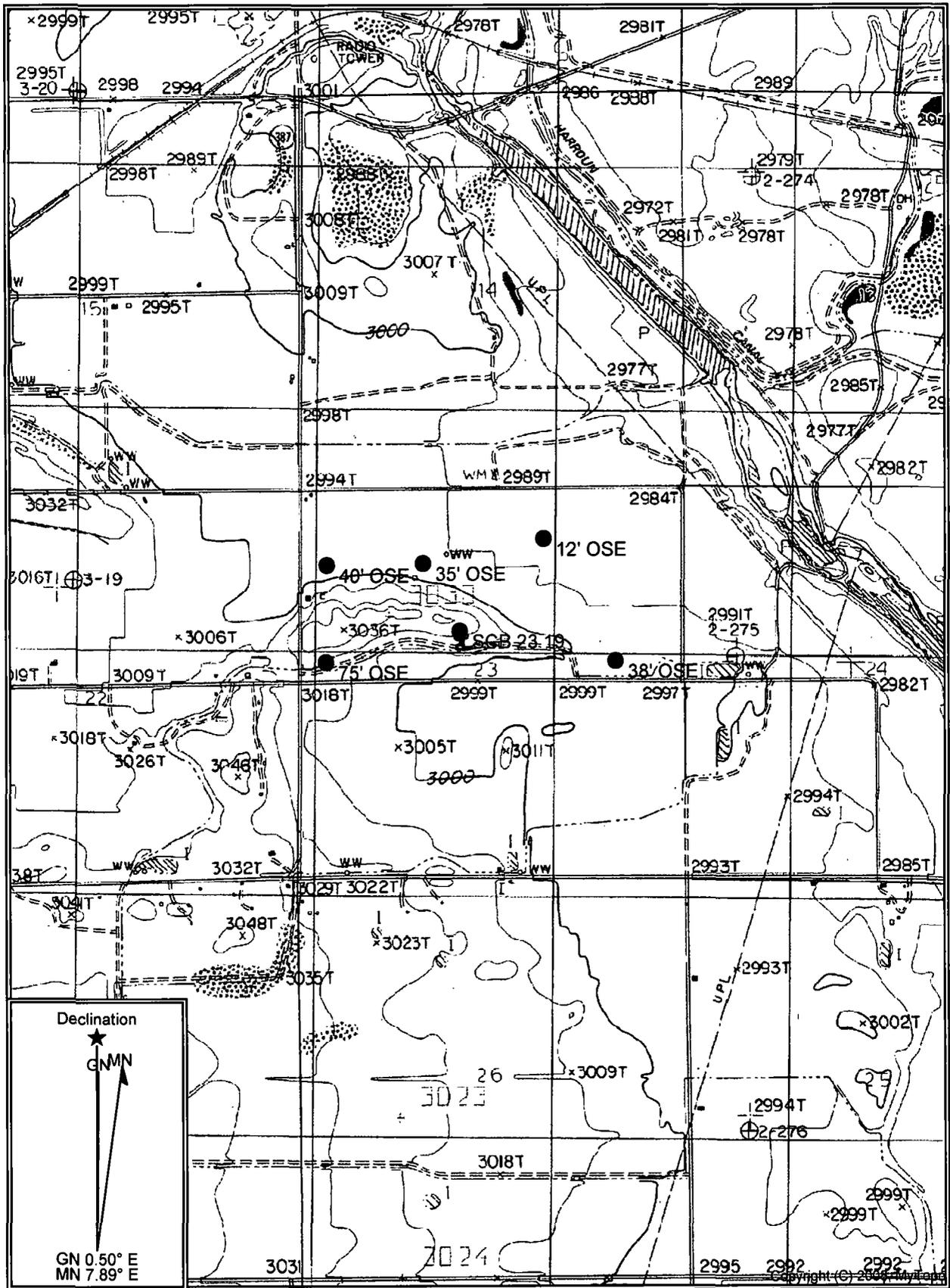
Remedial actions at this site have all been performed with the approval of, and in accordance with all New Mexico Oil Conservation Division (NMOCD) requirements.

As a result, we respectfully submit this closure report for your consideration and approval.

VI. Figures & Appendices

- Figure 1 – Vicinity Map
- Figure 2 – Site Plan
- Appendix A – Analytical Results
- Appendix B – Site Photos
- Appendix C – C-141

Figure 1
Vicinity Map

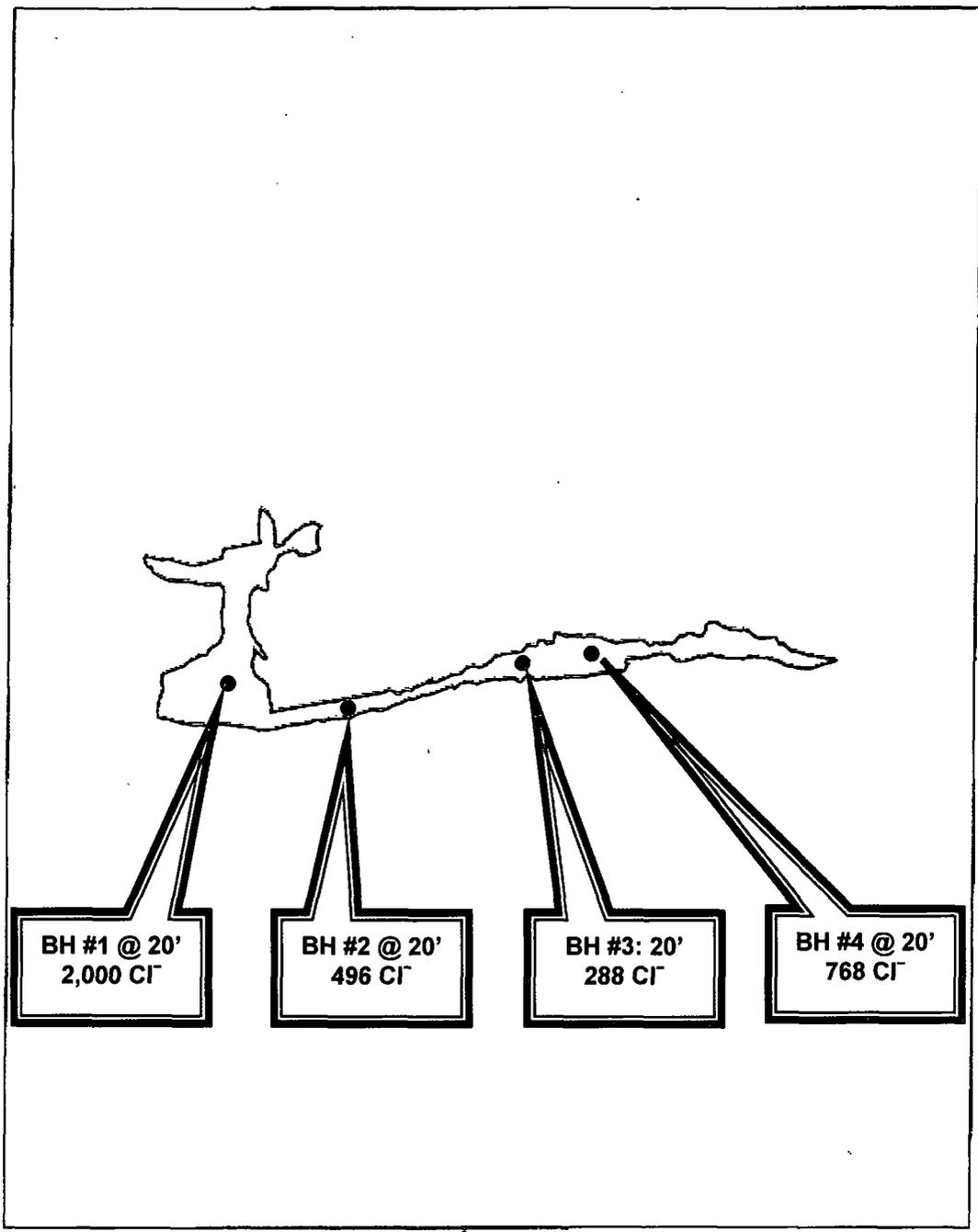


Map Name: LOVING,
Scale: 1 inch = 2,000 ft.

Map Center: 032.2922841° N 104.0587044° W
Horizontal Datum: WGS84

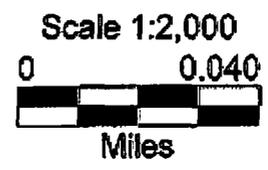
Copyright (C) 2004, MyTopo.com

**Figure 2
Site Plan**



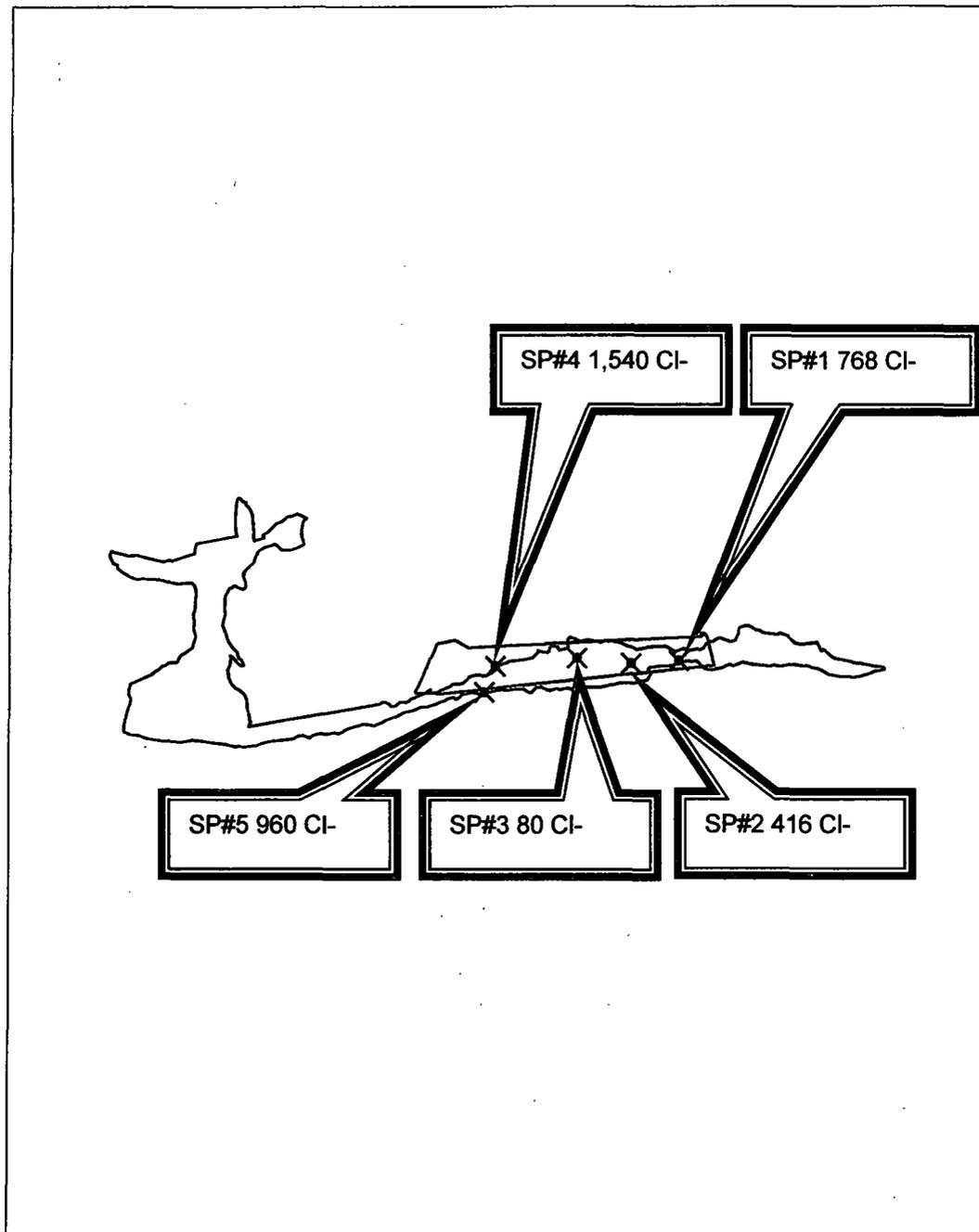
SCB 23-19 Injection Facility

Lat/Long
WGS 1984



site plan.cor





SCB 23-19

Lat/Long
WGS 1984



Scale 1 in : 150 ft
0 200.0
Feet

combined maps.cor
11/3/2010

GPS Pathfinder[®]Office





Map Name: SE LOVING, NM
Scale: 1 inch = 500 ft.

Map Center: 032.2922841° N 104.0587044° W
Horizontal Datum: WGS84

Appendix A
Analytical Results



PHONE (575) 393-2328 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
 SAFETY & ENVIRONMENTAL SOLUTIONS
 ATTN: BOB ALLEN
 703 E. CLINTON, #102
 HOBBS, NM 88240
 FAX TO: (575) 393-4388

Receiving Date: 09/25/09
 Reporting Date: 10/07/09**
 Project Number: RANGE OPERATING
 Project Name: RANDOM SAMPLING
 Project Location: LOVING, NM

Analysis Date: 09/27/09
 Sampling Date: 09/24/09
 Sample Type: SOIL & WATER
 Sample Condition: INTACT @ 13.0°C
 Sample Received By: ML
 Analyzed By: HM

| LAB NO. | SAMPLE ID | Cl ⁻ (ppm) |
|-----------------------------|-----------|--------------------------|
| H18344-2 | 4B | * 6320 |
| H18344-3 | 23-11 | " 3280 |
| H18344-6 | 23-7 | * 8000 |
| H18344-7 | 23-8 | 3,040 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Quality Control | | 500 |
| True Value QC | | 500 |
| % Recovery | | 100 |
| Relative Percent Difference | | < 0.1 |

METHOD: Standard Methods 4500-Cl⁻B

* Note: Analyses performed on 1:4 w:v aqueous extracts.

**Revised Report.

Chris Steens
 Chemist

10/07/09
 Date

H18344 SESI

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



September 24, 2010

Bob Allen
Safety & Environmental Solutions
703 East Clinton
Hobbs, NM 88240

RE: RAN-09-007

Enclosed are the results of analyses for samples received by the laboratory on 09/22/10 15:50.

Cardinal Laboratories is accredited through Texas NELAP for:

| | |
|--------------------|--|
| Method SW-846 8021 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
| Method SW-846 8260 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
| Method TX 1005 | Total Petroleum Hydrocarbons |

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V2, V3) |

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene
Lab Director/Quality Manager

Analytical Results For:

Safety & Environmental Solutions
 Bob Allen
 703 East Clinton
 Hobbs NM, 88240
 Fax To: (575) 393-4388

| | | | |
|-------------------|------------------------------|---------------------|----------------|
| Received: | 09/22/2010 | Sampling Date: | 09/21/2010 |
| Reported: | 09/24/2010 | Sampling Type: | Soil |
| Project Name: | RAN-09-007 | Sampling Condition: | ** (See Notes) |
| Project Number: | SCB 23-19 INJECTION FACILITY | Sample Received By: | Jodi Henson |
| Project Location: | LOVING, NM | | |

Sample ID: SP #1 4' BGS (H020900-01)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 768 | 16.0 | 09/24/2010 | ND | 432 | 108 | 400 | 3.77 | | |

Sample ID: SP #2 4' BGS (H020900-02)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 416 | 16.0 | 09/24/2010 | ND | 432 | 108 | 400 | 3.77 | | |

Sample ID: SP #3 4' BGS (H020900-03)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 80.0 | 16.0 | 09/24/2010 | ND | 432 | 108 | 400 | 3.77 | | |

Sample ID: SP #4 4' BGS (H020900-04)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 1540 | 16.0 | 09/24/2010 | ND | 432 | 108 | 400 | 3.77 | | |

Sample ID: SP #5 4' BGS (H020900-05)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: HM | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 960 | 16.0 | 09/24/2010 | ND | 432 | 108 | 400 | 3.77 | | |

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager



CARDINAL LABORATORIES
 101 East Martindale, Hobbs, NM 88240
 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page _____ of _____

| | | | |
|---|--|----------------------|--|
| Company Name: Safety & Environmental Solutions, Inc. | | P.O. #: | |
| Project Manager: Bob Allen | | Company: Same | |
| Address: 703 East Clinton | | Attn: | |
| City: Hobbs State: NM Zip: 88240 | | Address: | |
| Phone #: 575-397-0510 Fax #: 575-393-4388 | | City: | |
| Project #: Rem-05-07 Project Owner: Parce | | State: | |
| Project Name: SG 23-19 injection facility | | Phone #: | |
| Project Location: Loring, NM | | Fax #: | |
| Sampler Name: Esac Inc. | | | |

| Lab I.D. | Sample I.D. | PRESERV | | SAMPLING | |
|----------|-------------|-------------|------|----------|--------|
| | | MATRIX | DATE | TIME | OTHER: |
| 1209021 | SP#4 4'bx5 | GROUNDWATER | 6/11 | 5:20 AM | ✓ |
| 2 | SP#2 4'bx5 | GROUNDWATER | 6/11 | 5:25 AM | ✓ |
| 3 | SP#3 4'bx5 | GROUNDWATER | 6/11 | 5:30 AM | ✓ |
| 4 | SP#4 4'bx5 | GROUNDWATER | 6/11 | 5:35 AM | ✓ |
| 5 | SP#5 4'bx5 | GROUNDWATER | 6/11 | 5:40 AM | ✓ |

chickies

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's retention period for any claim arising whether tested in contract or not, shall be limited to the amount paid by the client for the analysis. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 90 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, lost wages, unemployment loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal. Evidence of retention shall be retained until any of the above stated events or conditions occur.

Terms and Conditions: Incent will be charged on all accounts more than 30 days past due at the rate of 2 1/4% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

Phone Result: Yes No Add'l Phone #: _____
 Fax Result: Yes No Add'l Fax #: _____

REMARKS:

Received By: *Bob Allen*
 Date: **6/11/02** Time: **11:30**

Delivered By: (Circle One) **UPS**
 Sampler - UPS - Bus - Other:

Sample Condition: Cool Intact
 Yes No

† Cardinal cannot accept verbal changes. Please fax written changes to 875-393-2476.

Appendix B
Site Photos

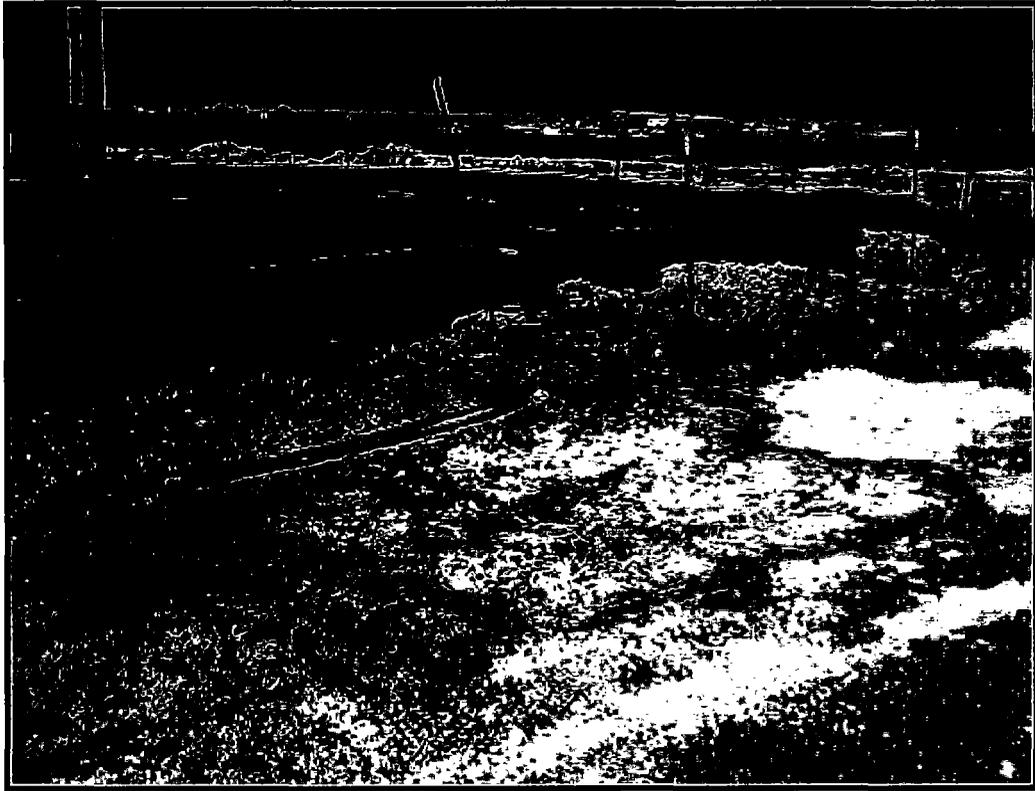
August 17, 2009



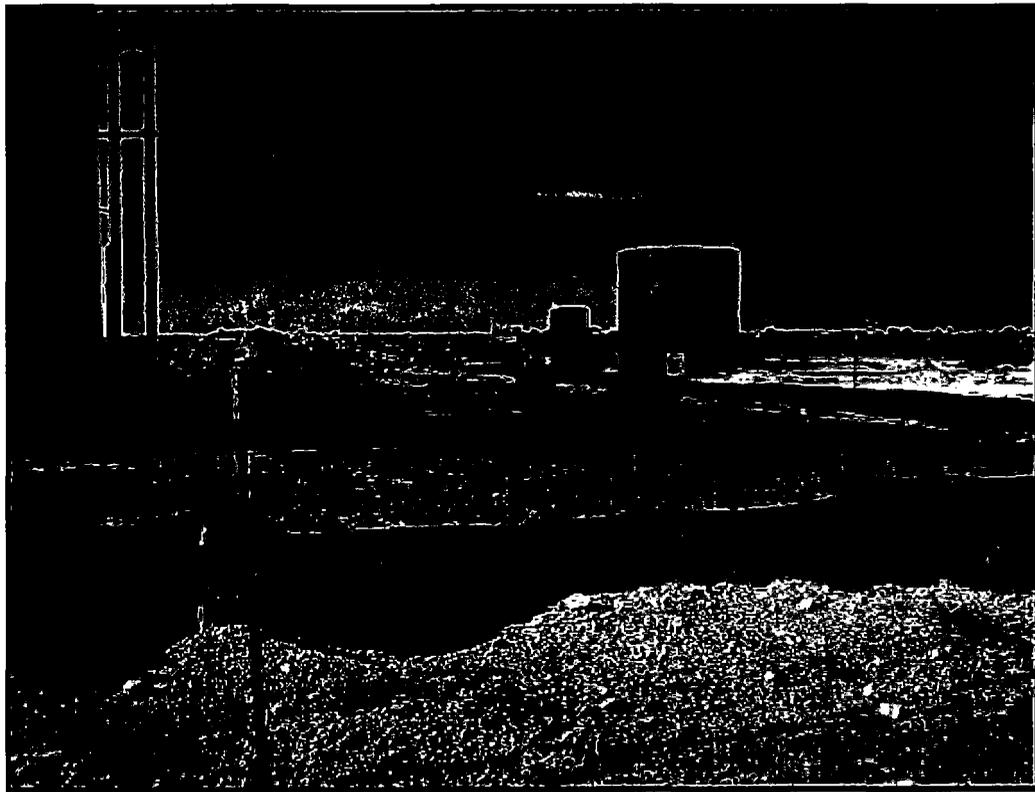
Lease Sign



Inside Firewalls Facing SW



Release Facing SW



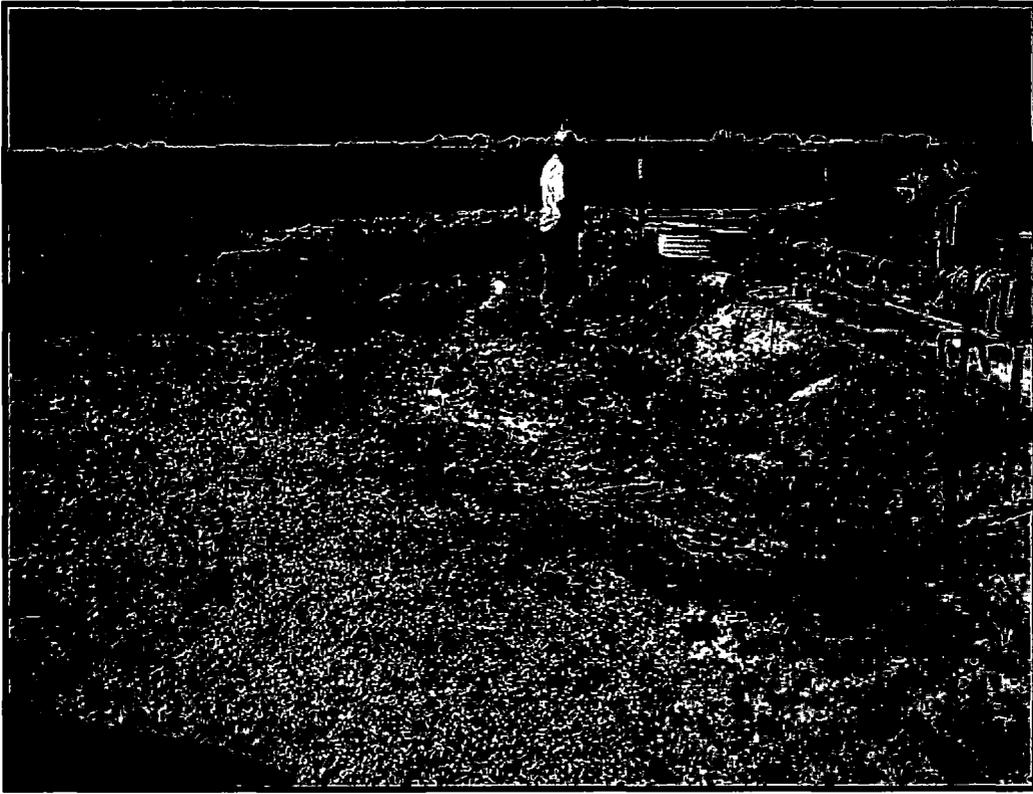
Inside Firewalls Facing South



Inside Firewalls Facing SW



Inside Firewalls Facing South



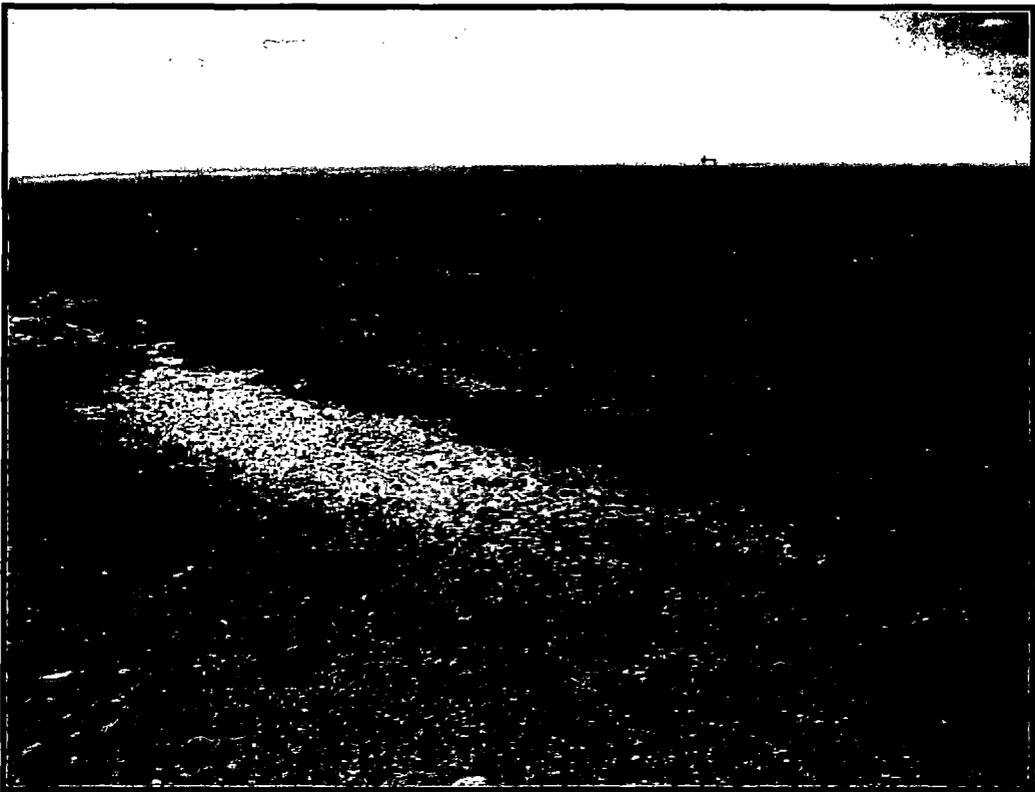
Release Facing South



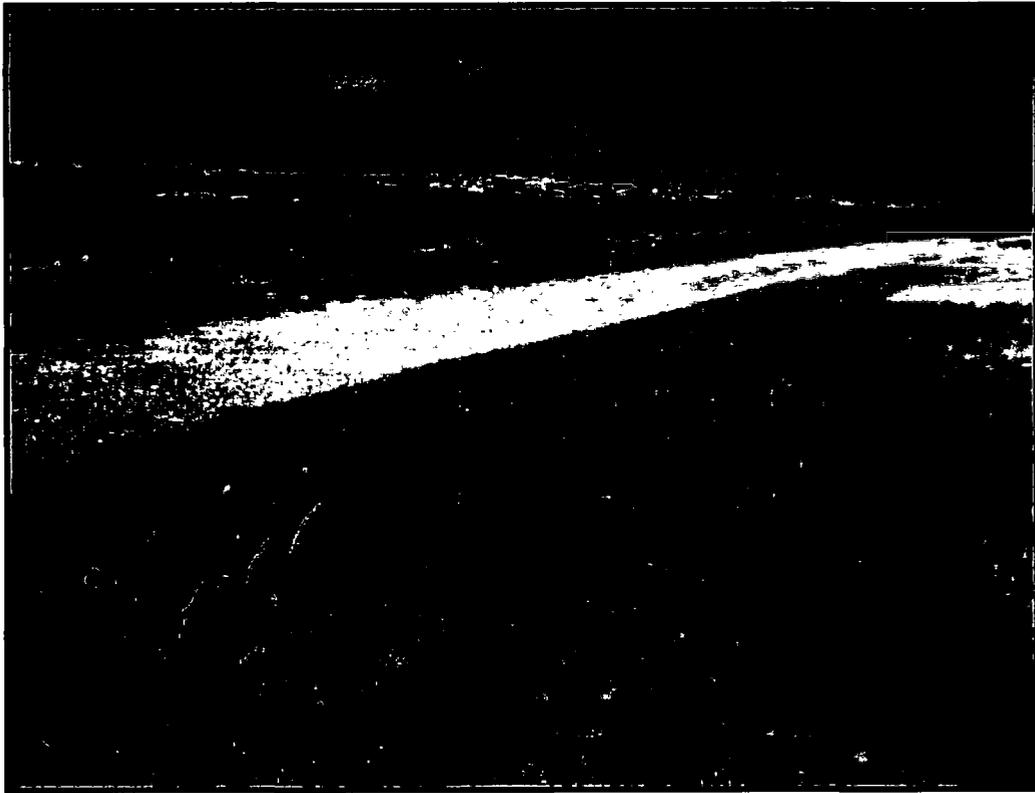
Failed 2" Nipple



Release Facing SW



Release Facing SE



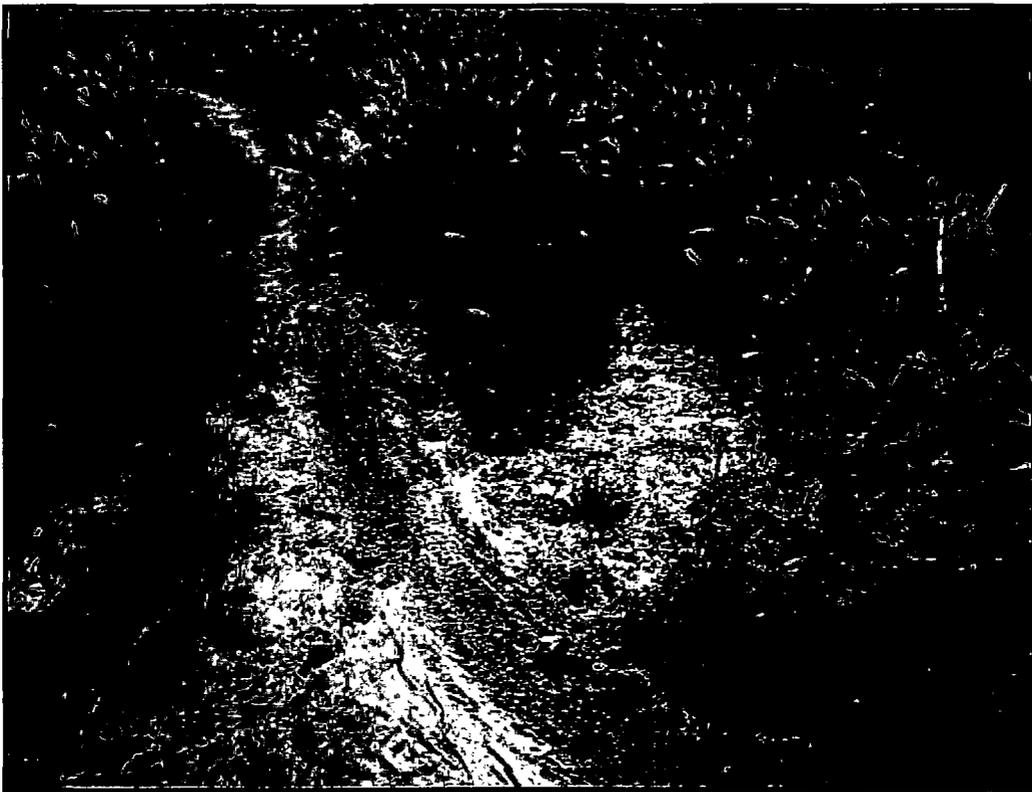
Release Facing West



Release Facing East



Release Facing East



Release Facing East



Release Facing East

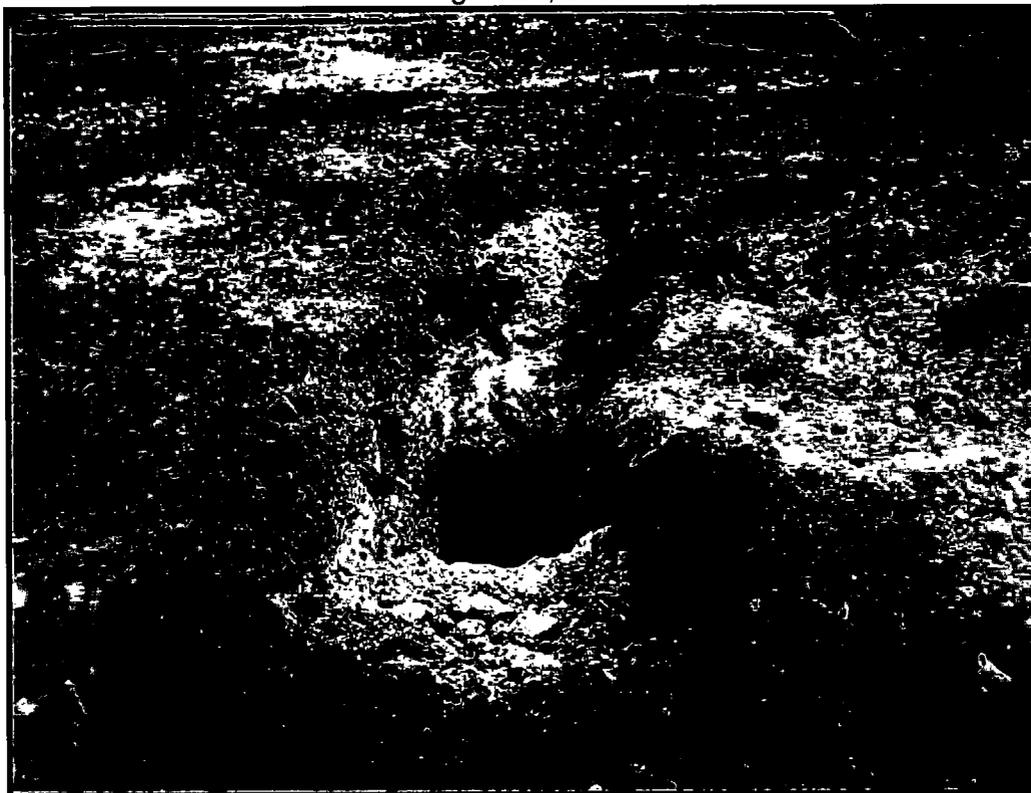


Release Facing West



Release Facing West

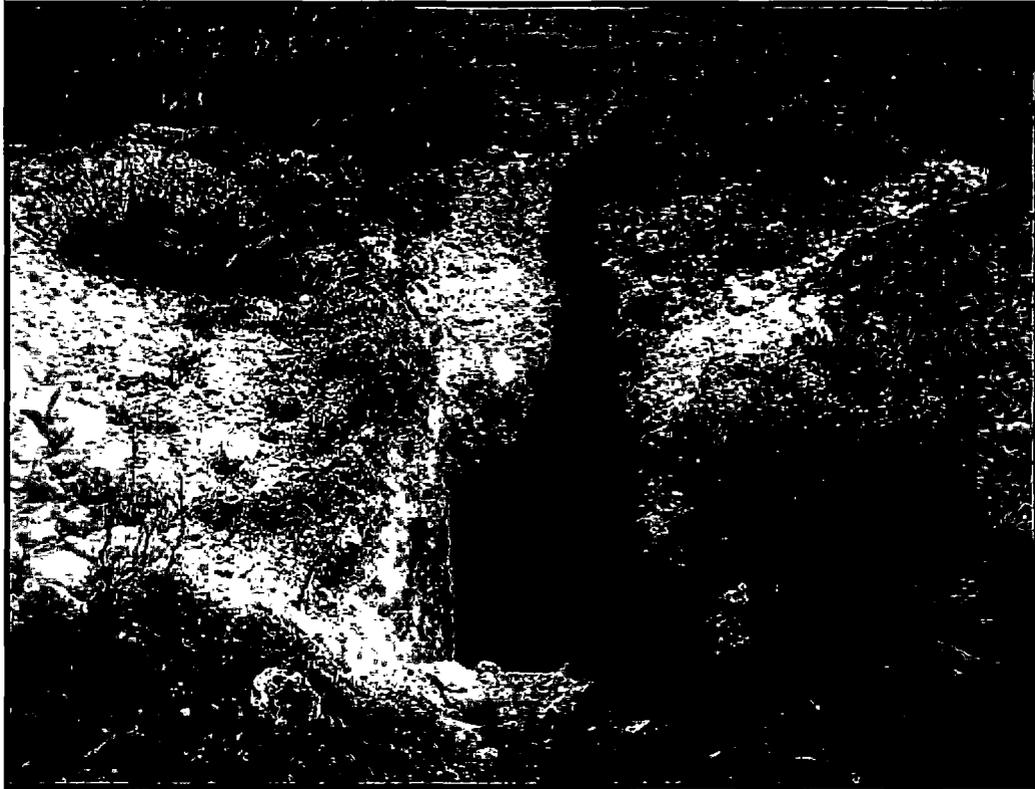
August 24, 2009



Test Trench #1



Test Trench #2



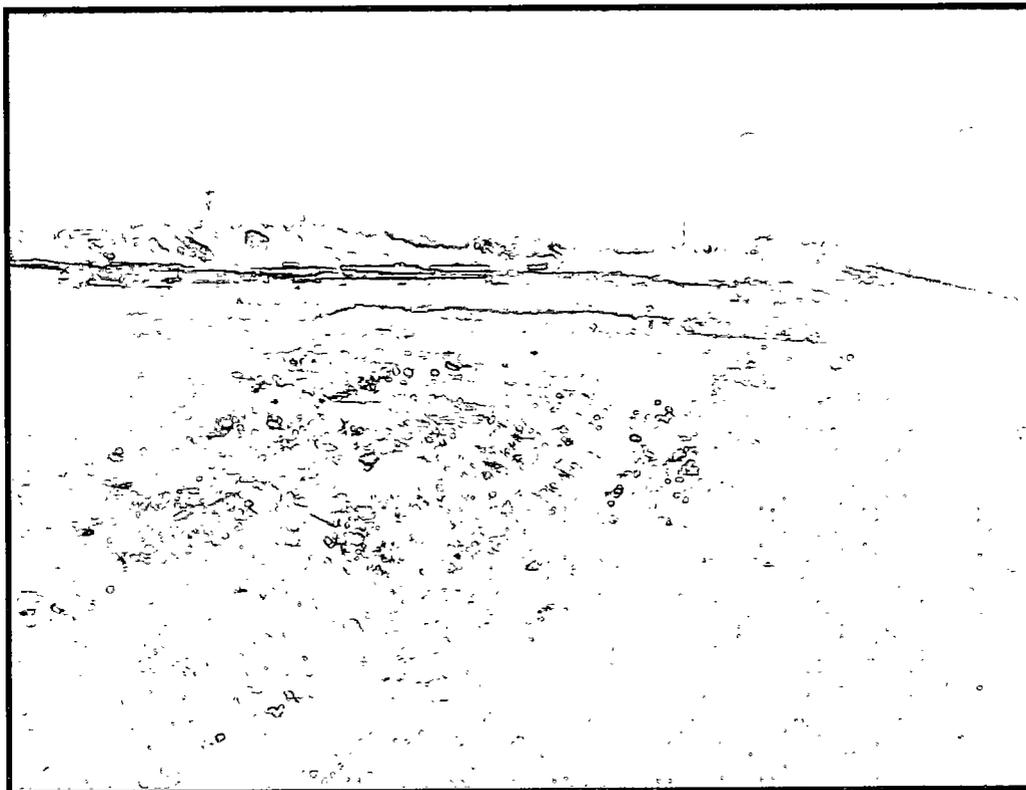
Test Trench #3



Partially Excavated Area Facing East



Partially Excavated Area Facing East



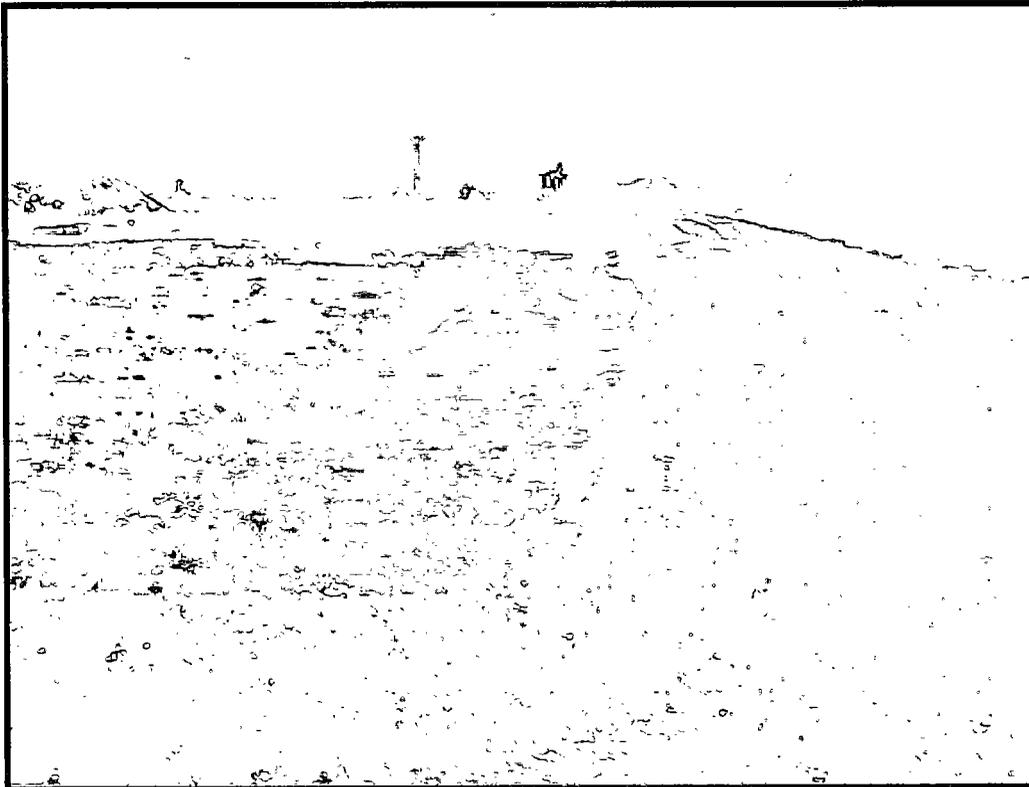
Partially Excavated Area Facing East



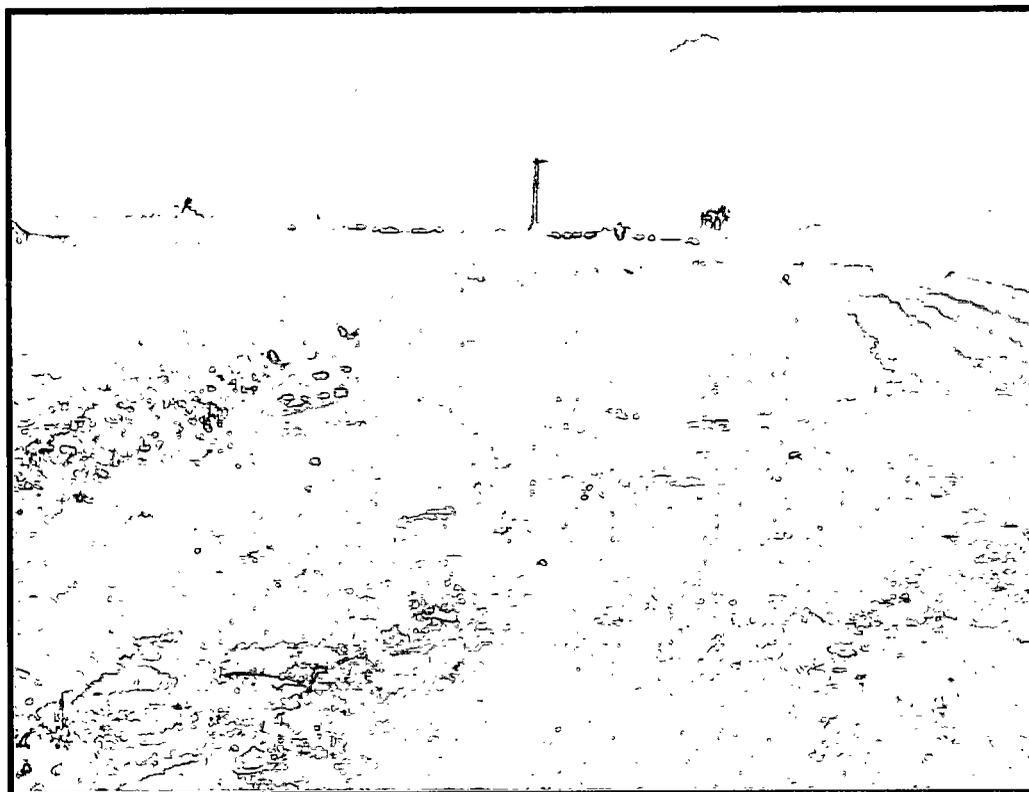
Partially Excavated Area Facing North



Partially Excavated Area Facing NE



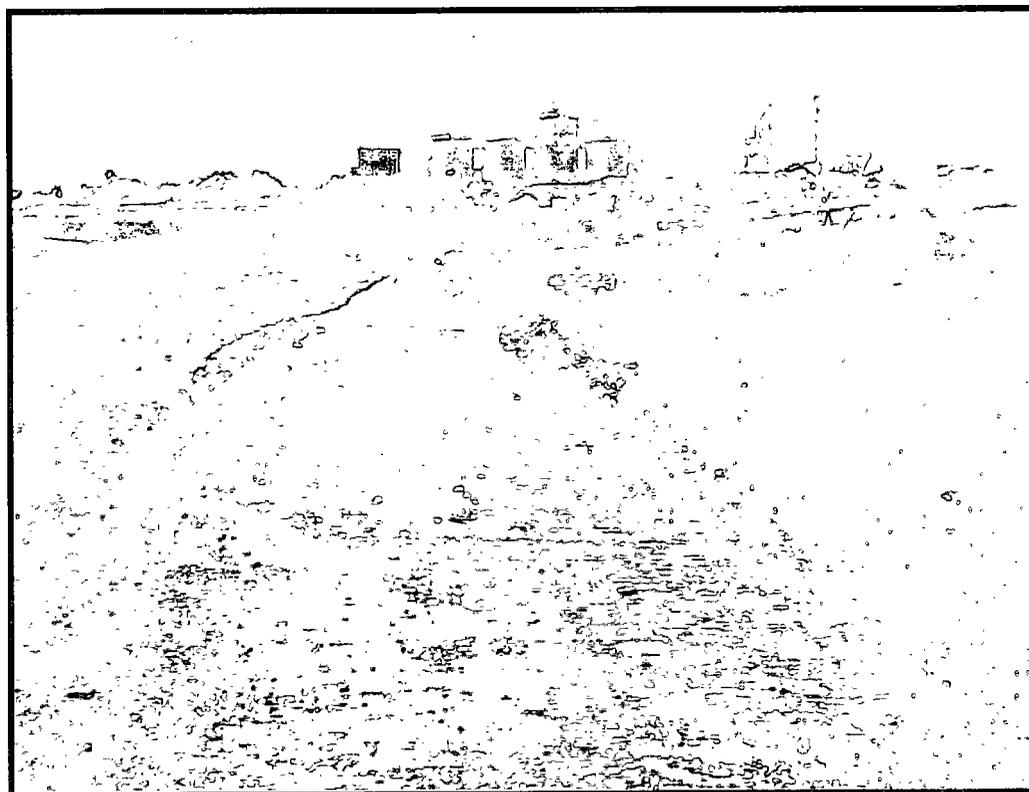
Partially Excavated Area Facing East



Partially Excavated Area Facing East

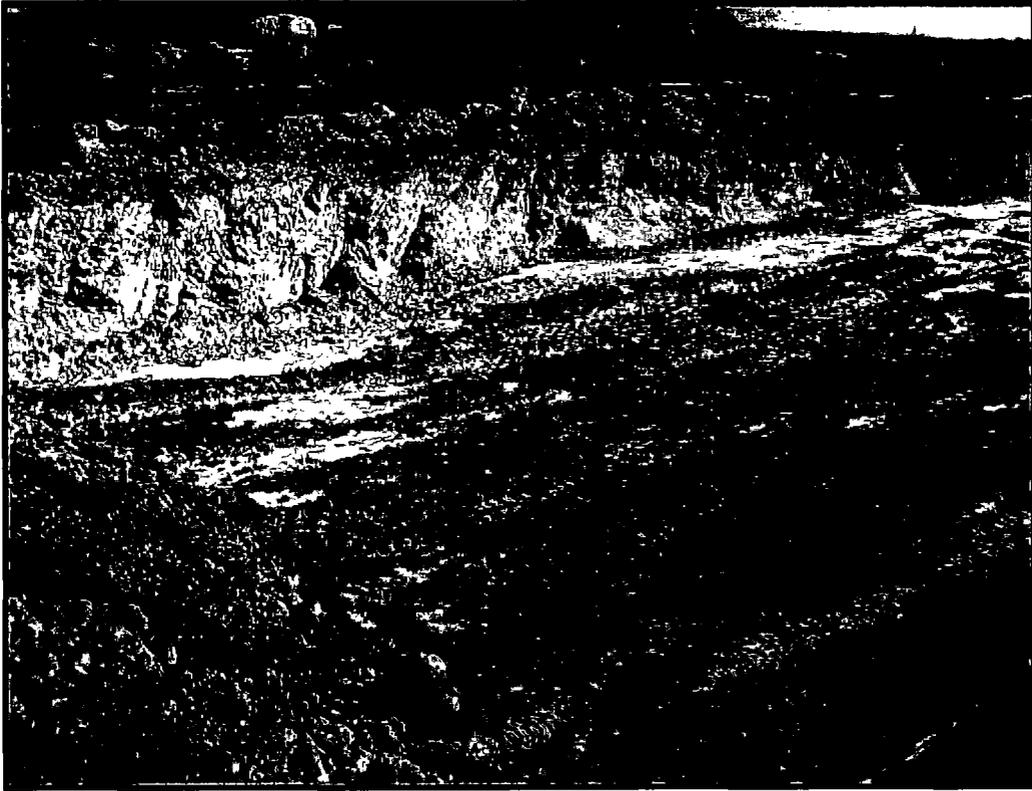


Partially Excavated Area Facing West



Partially excavated area facing west

Range SCB 23-19 Site Photos 9-21-10



Excavated area facing north



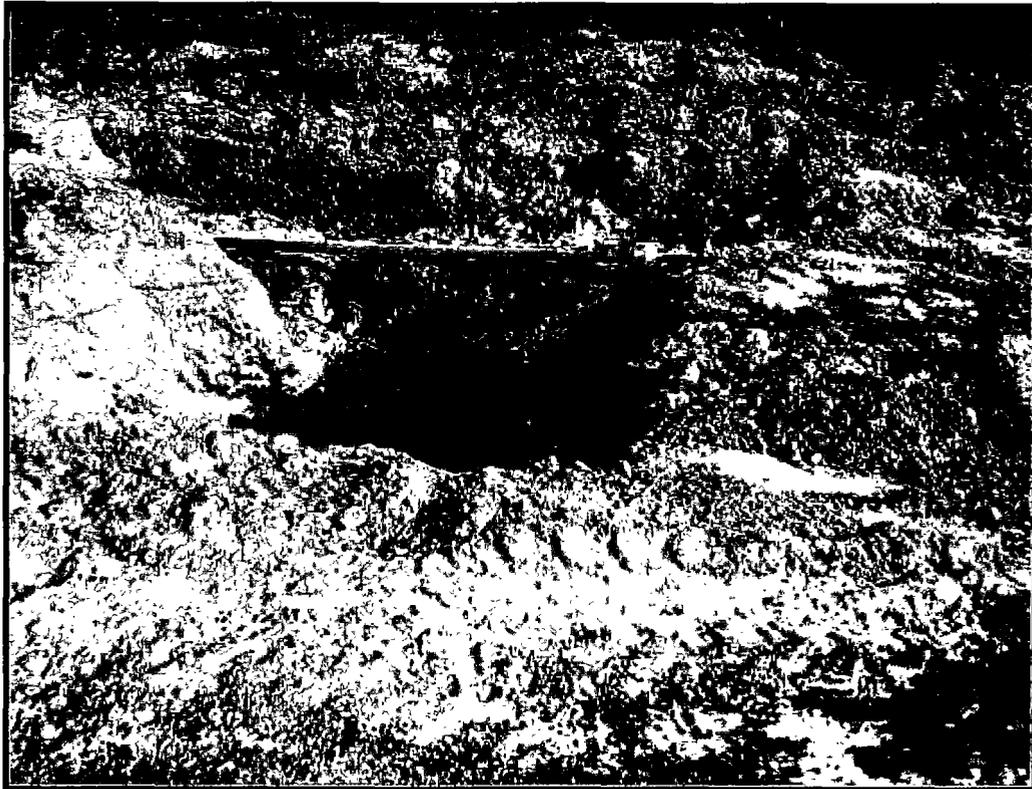
Excavated area facing east



Excavated area facing east



Excavated area facing north



Repaired fiberglass line facing north



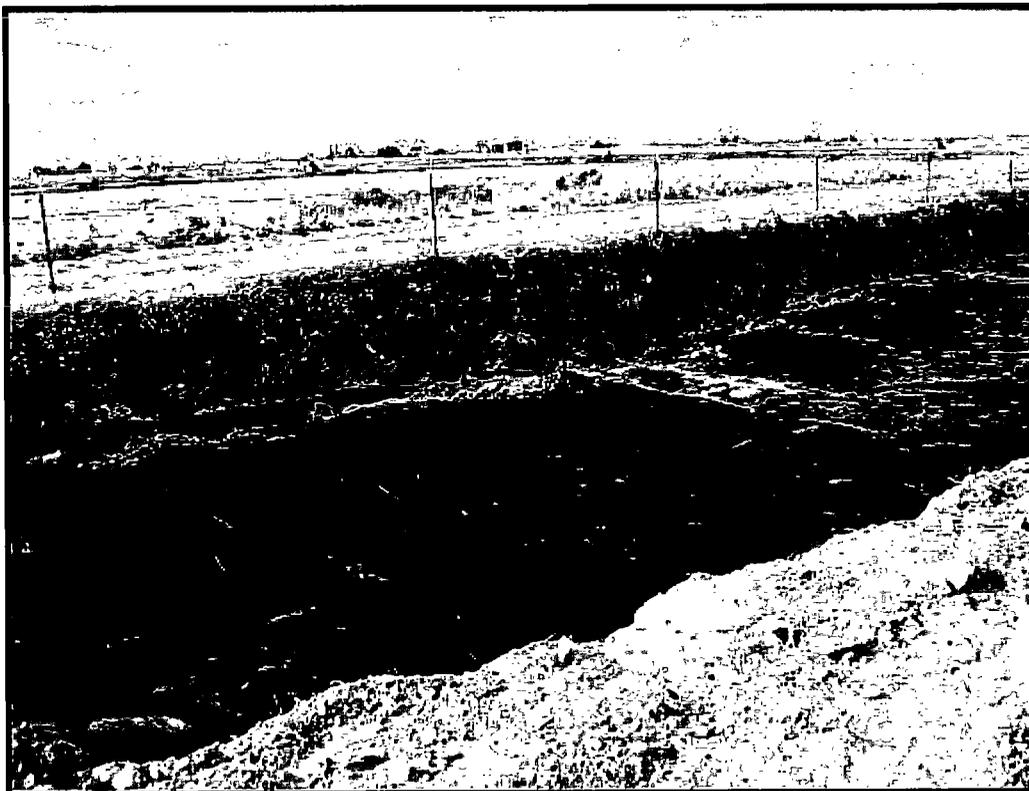
Excavated area facing east



Excavated area facing west



Excavated area lined facing south



Excavated area lined facing south



Excavated area lined facing southwest



Excavated area lined facing west



Excavated area lined facing northwest

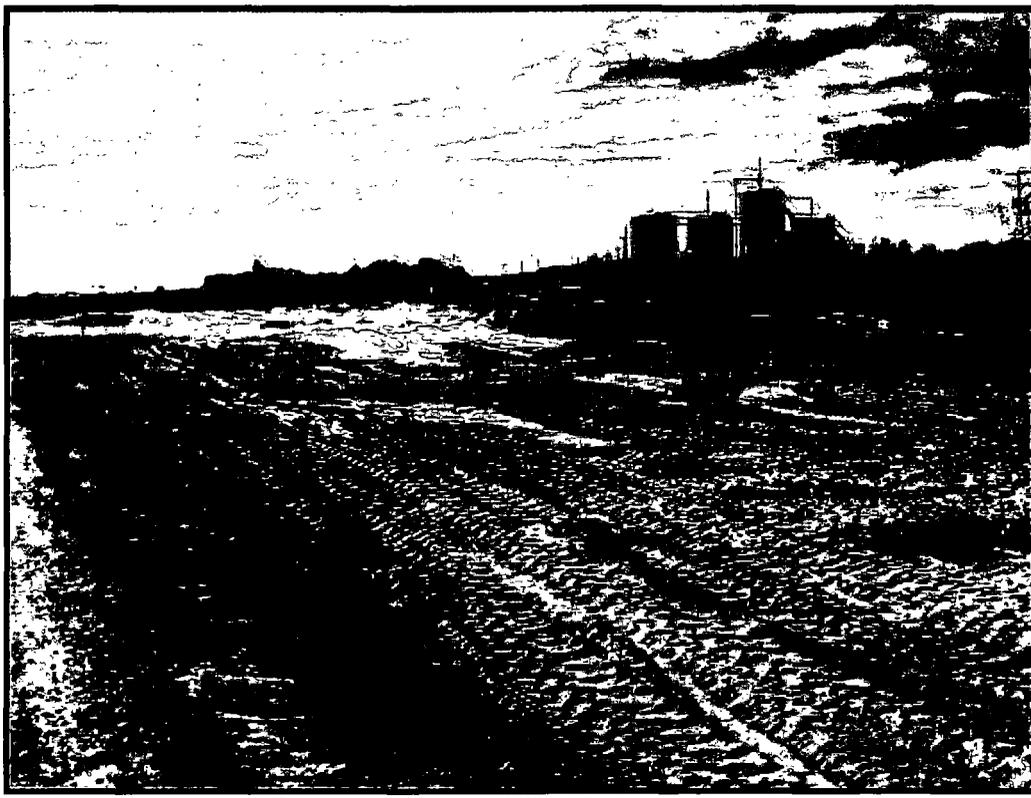


Excavated area lined facing northeast

Range SCB 23-19 Site photos 9-27-10



Excavated area backfilled facing west



Excavated area backfilled facing northwest



Excavated area backfilled facing north



Excavated area backfilled facing northeast



Excavated area backfilled facing east



Excavated area backfilled facing west



Excavated area backfilled facing west



Excavated area facing south



Excavated area backfilled facing southwest

Appendix C
C-141

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

| | |
|---|-----------------------------|
| Name of Company Range Resources Corporation | Contact: Steve Almager |
| Address: 100 Throckmorton Ste 1200 | Telephone No. (575)394-1485 |
| Facility Name: SCB Injection Facility | Facility Type: Battery |

| | | |
|---------------|---------------|-----------|
| Surface Owner | Mineral Owner | Lease No. |
|---------------|---------------|-----------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| | 23 | 23 S | 28 E | | | | | Eddy |

Latitude: 32.173350N Longitude: 104.033302W

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Produced Water | Volume of Release 300 bbls | Volume Recovered 290 bbls |
| Source of Release 2" Nipple Eroded Off Check Valve on the H-Pump | Date and Hour of Occurrence 8-15-09 10:45 Am | Date and Hour of Discovery 8-15-09 10:45 Am |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher, NMOCD | |
| By Whom? Sergio Contreras, SESI | Date and Hour 8/17/09 9:30 am | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
A 2" nipple eroded off the end of the check valve on the H-Pump. The pump failed to shut off and resulted in water pumping into the lined tank battery and overflowing the firewalls.

Describe Area Affected and Cleanup Action Taken.*
SESI was contacted for assessment. Area will be delineated and an appropriate work plan submitted upon results.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

| | | | |
|--|----------------------------------|------------------|-----------------------------------|
| Signature:  | OIL CONSERVATION DIVISION | | |
| Printed Name: Steve Almager | Approved by District Supervisor: | | |
| Title: Production Supervisor II | Approval Date: | Expiration Date: | |
| E-mail Address: salmager@rangeresources.com | Conditions of Approval: | | Attached <input type="checkbox"/> |
| Date: 8/18/09 | Phone: (575) 394-1485 | | |

Attach Additional Sheets If Necessary