

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 12, 2007

Deanna M. Poindexter
Range Operating New Mexico, Inc.
777 Main Street, Suite 800
Fort Worth, TX 76102

RE: Greenwood Well No. 27 (API No 30-025-NA)

1484 feet from the South Line, 830 feet from the East line, Unit L
Section 9, Township 22 South, Range 37 East, NMPM, Lea County
NW/4 SW/4 (40 Acres) Section 9 Dedication

Administrative Order NSL-5582

Dear Ms. Poindexter:

Reference is made to the following:

(a) your application (administrative application reference No. pTDS0634747799 for non-standard location [NSL]) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on December 13, 2006, on behalf of Range Operating New Mexico, Inc., OGRD 227588 ("Range"); and

(h) the Division's records pertinent to Range's request.

Range proposes to drill the above referenced well at the above referenced unorthodox oil well location within Section 9 and requests to produce oil from the San Andres formation, Southwest Eunice-San Andres (24180) Pool within a 40-acre, more or less, spacing and proration unit consisting of the NW/4 SW/4 of Section 9.

The proposed well would be the second well within this 40-acre proration unit. The unit currently contains the Greenwood Well No. 19 (API No. 30-025-36759) located at a standard location 2310 feet from the South line and 430 feet from the West line of Section 9.

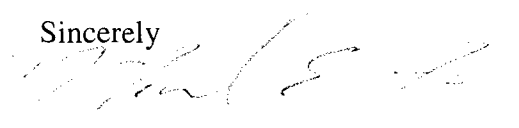
The Southwest Eunice-San Andres Pool (24180) has no special pool rules related to well locations; therefore, statewide rules for oil wells apply and wells must be located no closer than 330 feet from the spacing and proration unit boundary. This well location is un-orthodox because it is to be located 164 feet from the southern boundary of the NW/4 SW/4 of Section 9 spacing and proration unit.

Your application states this well location is preferable to Range because of topographic reasons and in order to place the well furthest from the other existing well on this spacing unit and therefore recover oil and gas that would otherwise not be recovered. The affected spacing and proration unit to the south is operated by Range and Range has a lease covering the S/2 of Section 9.

Division Rule 104.F allows the Division director to grant location exceptions in order to prevent waste and protect correlative rights. Your application on behalf of Range has been duly filed and notice has been provided as required under the provisions of Division Rules 104.F and 1210.A. In order to prevent waste and protect correlative rights, the above-described non-standard San Andres oil well location within the Southwest Eunice-San Andres Pool is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely



Mark E. Fesmire, P.E.
Director

MEF/wvjj

cc: New Mexico Oil Conservation Division - Hobbs