

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Range  
PC-1203

**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 (Notice has been sent out)  
 [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.

Paula Hale  
Print or Type Name

Signature

St. Reg. Sp.  
Title

9-22-08  
Date

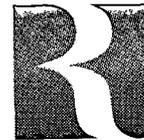
phale@rangeresources.com  
e-mail Address

2008 SEP 22 AM 10 05  
RECEIVED

RECEIVED

2008 SEP 18 AM 10 16

September 17, 2008



RANGE RESOURCES

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

Re: Surface & Pool Commingling Application  
State C #1, State C #2, State C-17 #1  
Lea County, New Mexico

Gentlemen:

Enclosed is Range Operating New Mexico Inc.'s application to Surface and Pool commingle the subject leases. Included in this application are:

- a) Form C-107-B
- b) Statement of Notification to all Interest Owners
- c) Interest Owner List
- d) Exhibit 1 – List of leases involved with descriptions and pools
- e) Exhibit 2,3 & 4 – Plats showing location of wells
- f) Exhibit 5 & 6 – Schematic diagrams and descriptions
- g) Exhibit 7 – Volume Contribution Per Well

Should you have any questions or need further information please contact the undersigned.

Sincerely,

Paula Hale  
Sr. Reg. Sp.

[phale@rangeresource.com](mailto:phale@rangeresource.com)  
Enclosure(s)

CC: New Mexico Oil Conservation Division  
1625 N. French Dr.  
Hobbs, New Mexico 88240

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: Range Operating New Mexico, Inc.  
OPERATOR ADDRESS: 100 throckmorton St., Ste. 1200, 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
See Attachment				

- (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.

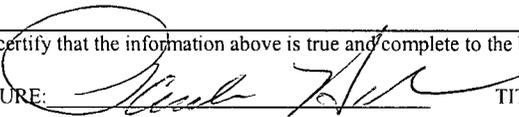
**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (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:  TITLE: Sr. Reg. Sp. DATE: 9-17-2008

TYPE OR PRINT NAME Paula Hale TELEPHONE NO.: 817-869-4216

E-MAIL ADDRESS: phale@rangeresources.com

**STATEMENT OF NOTIFICATION  
STATE C LEASE  
OCD 301555  
SURFACE & POOL COMMINGLING**

A copy of the OCD Form C-107-B have been sent to all interest owners, as notice of Range Operating's application to surface commingle multiple pools.



Deanna Poindexter  
Area Production Engineer  
Date: 9-17-2008



Paula Hale  
Sr. Reg. Sp.  
Date: 9-17-2008

**STATE C LEASE 301555  
INTEREST OWNER LIST**

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, NM 87504

Donaldson Brown Royalty Trust  
P. O. Box 1183  
Abingdon, MD 21009-1222

Dominion Reserves, Inc.  
P. O. Box 1248  
Jane Lew, WV 26378

Hawkins ACQ Limited Partnership  
Frisco Energy LLC General Partner  
Attn: Butch Smith  
2531 East 51<sup>st</sup> Street, Ste. 300  
Tulsa, OK 74105

Kerr-McGee Oil & Gas Onshore, LP  
P. O. Box 1330  
Houston, TX 77521-1330

Range Operating New Mexico, Inc.  
100 Throckmorton St., Ste. 1200  
Fort Worth, TX 76102

EXHIBIT 1

Lease Name & Number	API #	OCD LEASE CODE #	LOCATION	Unit-Sec-Twn-Rng	Pool	OCD Pool #
State C #1	30-025-10037	301555	1980' FNL & 1981.5' FWL	F-17-22S-37E	Eunice; San Andres, Southwest	24180
State C #2	30-025-38170	301555	1650' FNL & 2195' FWL	F-17-22S-37E	Eunice; San Andres, Southwest	24180
State C-17 #1	30-025-38583	301555	2310' FNL & 2310' FWL	F-17-22S-37E	Blinery Oil and Gas (Oil)	<del>666060240</del>
					Tubb Oil and Gas (Oil)	60240
					Drinkard	19190
					Wantz; Abo	62700

1  
2  
3  
4  
5

Property Code: 301555

OGRID No: 227588

NEW MEXICO OIL CONSERVATION COMMISSION  
Well Location and Acreage Dedication Plat

NOV 1957  
OFFICE OGC  
PM

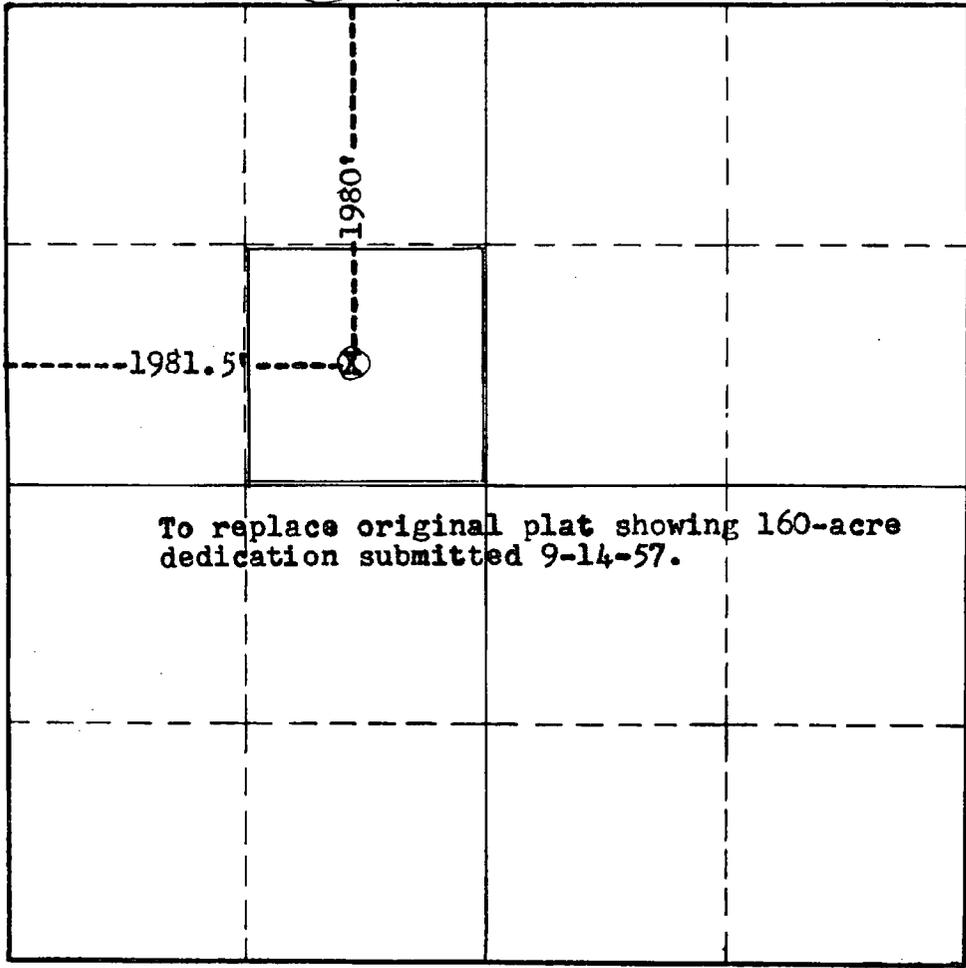
Section A. Operator Now: Range Operating New Mexico, Inc. Date: 11-14-57

Operator Neville G. Penrose, Inc. Lease State "C" (formerly Elliott State)  
Well No. 1 Unit Letter F Section 17 Township 22S Range 37E NMPM  
Located 1981.5 Feet From west Line, 1980 Feet From north Line  
County Lea G. L. Elevation \_\_\_\_\_ Dedicated Acreage 40 Acres  
Name of Producing Formation Queen Sand Pool Eumont

1. Is the Operator the only owner\* in the dedicated acreage outlined on the plat below?  
Yes \_\_\_\_\_ No X
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No \_\_\_\_\_. If answer is "yes," Type of Consolidation joint venture
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description
<u>SRQ</u>	
<u>Unice San Andres Southwest</u>	<u>R-6499 1/2 R-6861</u>
<u>Eumont Pool Queen Sand</u>	
<u>Eumont, Yates-Rivers-Queen (oil)</u>	<u>22800 API # - 30-025-10337</u>

Section B Salt @ 1185-2443'

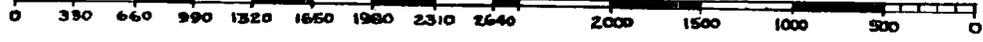


This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Neville G. Penrose, Inc.  
(Operator)  
G.G. Neill  
(Representative)  
Box 988  
Eunice, New Mexico  
Address

This is to certify that the well location shown on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.  
Date Surveyed 9-12-57

John W. West  
Registered Professional  
Engineer and/or Land Surveyor.



DISTRICT I  
1625 N. FRENCH DR., HOHES, NM 86240

DISTRICT II  
1301 W. GRAND AVENUE, ARTECHA, NM 86210

DISTRICT III  
1000 Rio Brazos Rd., Asteo, NM 87410

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87503

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-38170	Pool Code	Pool Name
Property Code 301555	Property Name STATE "C"	Well Number 2
OGRD No. 227588	Operator Name RANGE OPERATING NEW MEXICO, INC.	Elevation 3398'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	17	22-S	37-E		1650	NORTH	2195	WEST	LEA

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
Dedicated Acres		Joint or Infill	Consolidation Code		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

	<p><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>OCTOBER 26, 2006</p> <p>Date Surveyed _____ JMD</p> <p>Signature &amp; Seal of Professional Surveyor _____</p> <p><i>Gary H. Edson 11/10/06</i></p> <p>06.11.1705</p>
	<p>Certificate No. GARY EDSON 12841</p>

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT I

1825 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-38583	Pool Code	Pool Name
Property Code 301555	Property Name STATE 'C' 17	Well Number 1
OGRID No. 227588	Operator Name RANGE OPERATING NM, INC.	Elevation 3394'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	17	22-S	37-E		2310	NORTH	2310	WEST	LEA

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
Dedicated Acres		Joint or Infill		Consolidation Code		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

<p>APP Asked for</p> <p>2310'</p> <p>9-1-08 - Stuck in the hole - Sidetrack</p> <p>9-15/08 - TD 6961' (Abo)</p> <p>2310'</p>	<p>Blinbery Oil &amp; Gas (Oil) 6660</p> <p>Tubb Oil &amp; Gas (Oil) 60240</p> <p>Drinkard 19190</p> <p>Fowler Drinkard (Consolidated) 26620</p> <p>Abo; wantz 68700</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
	<p>GEODETTIC COORDINATES NAD 27 NME</p> <p>Y=508455.1 N X=854247.1 E</p> <p>LAT.=32.392632° N LONG.=103.185697° W</p>	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>SEPTEMBER 17, 2007</p> <p>Date Surveyed _____ MEXICO LA</p> <p>Signature _____ Seal of Professional Surveyor 3239</p> <p>Ronald J. Eidson 9/25/07</p> <p>07-11-1266</p> <p>Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>



Range Operating New Mexico, Inc.  
State C #1, #2, and C-17 #1 BATTERY  
Eunice, NM

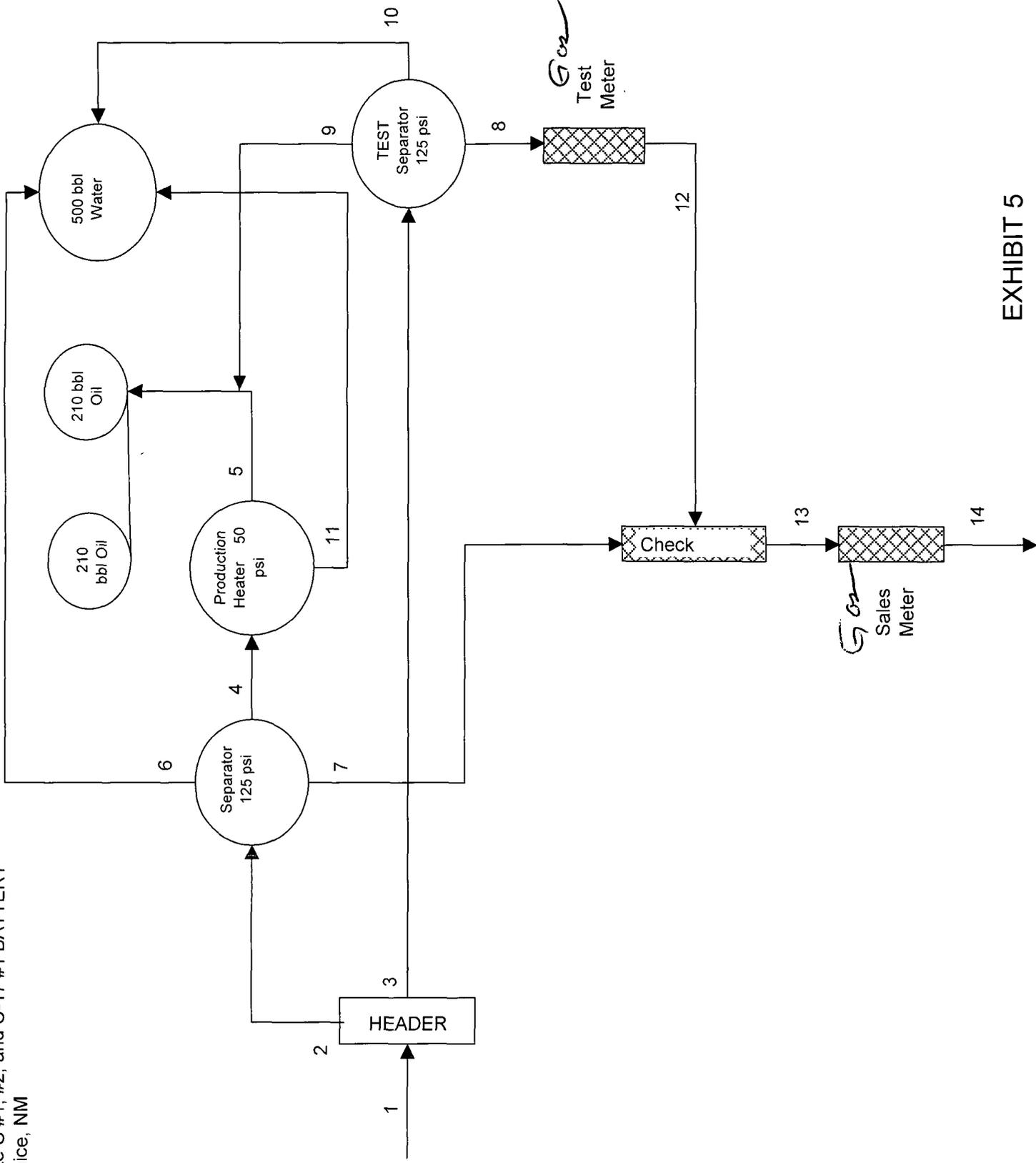


EXHIBIT 5



Range Operating New Mexico, Inc.  
State C #1, #2, and C-17 #1 BATTERY  
Eunice, NM

<b>Line</b>	<b>Description</b>
1 -	Oil, Gas, and Water from all wells entering Header
2 -	Oil, Gas, and Water from wells on Production going to separator
3 -	Oil, Gas, and Water from well on Test going to test separator
4 -	Oil from wells on production leaving separator and going to heater
5 -	Oil from wells on production leaving heater and going to tanks (through oil meter)
6 -	Water from wells on production leaving separator and going to tank
7 -	Gas from wells on production leaving separator and going to company owned check meter
8 -	Gas from well on Test leaving test separator and going to company owned test meter
9 -	Oil from well on Test leaving test separator and going to tank (through oil meter)
10 -	Water from well on Test leaving test separator and going to tank
11 -	Water from wells on production leaving heater and going to tank
12 -	Gas from well on Test leaving test meter and going to company owned check meter
13 -	All gas from lease commingled leaving company owned check meter
14 -	All gas from lease commingled leaving Souther Union (gatherer) owned sales meter

**EXHIBIT 7**  
**STATE C-17 #1**  
**Volume Contribution Per Well**

Lease Name	OCD/BLM Lease Code	Well No.	BOPD	MCFPD	Gravity	BTU Content @ 14.73	BTU Content @ 15.025	
State C	301555	1	0	0	0.753	1.049	1.0284	
State C	301555	2	4	202	0.753	1.049	1.0284	
State C-17	301555	1	<i>Not producing yet.</i>					