

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF HEARING:**

2006 MAY 4 PM 3 28
CASE 13705

**APPLICATION OF RANGE OPERATING NEW MEXICO, INC.
FOR APPROVAL OF ITS EAST LOVING-DELAWARE LEASEHOLD
WATERFLOOD PROJECT INCLUDING SIX INJECTION WELLS TO BE
LOCATED AT UNORTHODX WELL LOCATIONS AND TO QUALIFY THIS
PROJECT FOR THE RECOVERED OIL TAX RATE PURSUANT TO
THE "NEW MEXICO ENHANCED OIL RECOVERY ACT,"
EDDY COUNTY, NEW MEXICO**

PRE-HEARING STATEMENT

Range Operating New Mexico, Inc. submits this pre-hearing statement as required
by the New Mexico Oil Conservation Division.

APPEARENCES OF THE PARTIES

APPLICANT

**Range Operating New Mexico, Inc.
777 Main St. Suite 800
Fort Worth, Texas 76102
Attn: Robert Ebeier
817-810-1987**

ATTORNEY

**Thomas Kellahin, Esq.
P. O. Box 2265
Santa Fe, New Mexico 87504
505-982-4285**

OPPONENTS

None

ATTORNEY

None

STATEMENT OF THE CASE

APPLICANT:

Applicant seeks approval of its East Loving-Delaware Unit Waterflood Project including the injection of produced water into the following interval:

From an upper limit being the top of the Lower Brushy Canyon formation to a lower limit being the base of the Delaware Mountain Group as found in the South Culebra Buff #4B well, located 560 feet FEL and 660 feet FSL (Unit A) Section 23, T23S, R28E being points at a depth of 5737 feet for the top marker and 6249 feet for the bottom marker

through 6 injection wells at unorthodox well locations within Section 23 as follows

SCB 23-15 Well	1430 feet FNL and 1150 feet FEL (Unit H)
SCB 23-17 Well	2440 feet FSL and 1500 feet FWL (Unit K)
SCB 23-18 Well	Surface: 1815 feet FNL and 1200 feet FWL (Unit D) Bottomhole: 1300 feet FWL and 1000 feet FNL (Unit E)
SCB 23-19 Well	Surface: 1950 feet FNL and 2470 feet FWL (Unit F) Bottomhole: 2620 feet FEL and 1300 feet FNL (Unit F)
SCB 23-20 Well	2520 feet FSL and 2460 feet FEL (Unit J)
SCB 23-21 Well	2531 FSL and 1252 FEL (Unit I)

within the following described area containing approximately 480 acres:

Township 23 South, Range 28 East, NMPM

Section 23:

- Tract 1: W/2NW/4; SE/4NW/4 and SW/4NE/4 (160-acres)
- Tract 2: NE/4NW/4 and NW/4NE/4 (80-acres)
- Tract 3: E/2NE/4 (80) acres)
- Tract 4: N/2SW/4 (80-acres)
- Tract 5: N/2SE/4 (80-acres)

Applicant also requests that the Division, in accordance with Division Rule 701 and pursuant to the New Mexico "Enhanced Oil Recovery Act," approve this project for the recovered oil tax rate for enhanced oil recovery. Applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for the waterflood operations.

This Unit is located approximately 2 miles East of Loving, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EST. EXHIBITS
Bobby Ebeier, (Land)	20 min	about 5
Andrew Tullis (PE)	30 min	about 5
Martin Emery, geologist	20 min	about 4
Dwayne Bryant or Tom Zaddick (PE)	30 min	about 15

PROCEDURAL MATTERS

None

KELLAHIN & KELLAHIN



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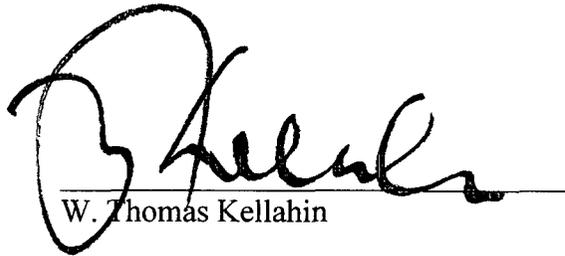
CERTIFICATE OF SERVICE

I certify that on May 4, 2006, I served a copy of the foregoing documents by:

- US Mail, postage prepaid
- Hand Delivery
- Facsimile

to the following:

Gail MacQuesten, Esq. (OCD)
Fax 505-476-3462



W. Thomas Kellahin