KELLAHIN & KELLAHIN Attorney at Law

W. THOMAS KELLAHIN TELEPHONE 505-982-4285 FACSIMILE 505-982-2047 KELLAHIN@EARTHLINK.NET

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P.O. Box 2265, Santa Fe, New Mexico 87504 117 North Guadalupe, Santa Fe, New Mexico 87501

May 16, 2006

HAND	DELIVERED	005 P189
	k E. Fesmire, Director servation Division	16
	uth Saint Francis Drive	Шd.
Santa Fe	e, New Mexico 87505	\sim
H F V C F	MOCD Case 13705 (continued and readvertised) East Loving-Delaware Leasehold Waterflood Project Amended Application of Range Operating New Mexico, Inc. For approval of its East Loving-Delaware Leasehold Pilot Waterflood project, including six injection wells and morthodox well locations and qualification of the Project Area for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act Eddy County, New Mexico	59

Dear Mr. Fesmire:

On behalf of Range Operating New Mexico, Inc., please find enclosed our referenced amended application. This case was heard at the Examiner hearing held on May 11, 2006 and continued to June 8th to correct certain errors including the county and description. We have sent new notice including newspaper publication.

/ery t 7. Thomas Kellahin

cc: Range Operating New Mexico, Inc. Attn: Bobby Ebeier

CORRECT ON May 15, 2006- ADVERTISEMENT FOR June 8, 2006 DOCKET

CASE: 13705: (Continued and readvertised) Application of Range Operating New Mexico, Inc. for approval of its East Loving-Delaware Leasehold pilot waterflood project including six injection wells to be located at unorthodox well locations and qualification of the Project Area for the Recovered Oil Tax rate pursuant to the Enhanced Oil Recovery Act, Eddy County, New Mexico. Applicant seeks approval of its East Loving-Delaware Pilot 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 FNL (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 E)
	Bottomhole: 1300 feet FWL and 1000 feet FNL (Unit D)
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 480 acre area:

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.

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 CONSIDERING:

,

CASE NO. 13705

APPLICATION RANGE OPERATING NEW MEXICO, INC. FOR APPROVAL OF ITS EAST LOVING-DELAWARE LEASEHOLD PILOT WATERFLOOD PROJECT INCLUDING SIX INJECTION WELLS TO BE LOCATED AT UNORTHODOX 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

AMENDED APPLICATION

Range Operating New Mexico, Inc. ("Range"), in accordance with Division Rule 701 and pursuant to the New Mexico "Enhanced Oil Recovery Act," applies to the New Mexico Oil Conservation Division for an order approving its East Loving-Delaware Leashold Pilot Waterflood Project including six injection wells to be located at unorthodox well locations and for the recovered oil tax rate for enhanced oil recovery and in support states:

(1) Range is the operator of wells within the proposed Project Area that consists of 480 total acre of fee lands, consisting of 6 different oil and gas leases, described as follows:

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)

See Locator Map attached as Exhibit "A"

NMOCD Amended Application Range Resources New Mexico, Inc. Page 1 (2) Range proposes that this waterflood project will be limited to 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 FNL (Unit A) Section 23, T23S, R28E. NMPM being points at a depth of 5737 feet for the top marker and 6249 feet for the bottom marker

(3) The Project Area is within the boundaries of the East Loving-Brushy Canyon Pool (formerly East Loving-Delaware Pool).

(4) Range proposes to institute a waterflood project by the injection of produced water from the Brushy Canyon formation of the Delware Group in and around the pilot area, and in addition water as needed from a Cherry Canyon formation source well into the Brushy Canyon portions of the East Loving-Brushy Canyon Pool pursuant to a plan of operations that is more completely set forth in Division Form C-108, attached as Exhibit "B"

(5) Applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the Leasehold Project 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.

(6) The following data is provided in accordance with procedure requirements (Order R-9708) for a Certificate of Qualification for an Enhanced Oil Recovery Project to qualify this project for the recovered oil tax rates pursuant to the "Enhanced Oil Recovery Act," NMSA 1978, Sections 7-29A-1 through 7-29A-5, as amended.

a.	Operators name and address:	Range Operating New Mexico, Inc.
		777 Main Street, Suite 800
		Fort Worth, Texas 76102

b. Description of the project area:

- 1. Plat outlining the project area: See Exhibit "A" attached
- 2. Description of the project area: <u>Township 21 South, Range 37East, NMPM</u> Section 23: Northern 3/4th (480-acres)

3. Total acres: The current project is flooding approximately 480 acres.

4. Name of subject pool and formation:

The Brushy Canyon formation of the East Loving-Brushy Canyon Pool

- c. Status of operations in the project area:
 - 1. N/A
 - 2. N/A
 - 3. If not unitized:

This is a leasehold waterflood project approved by the two working interest owners being Range Resources Operating Company and Chesapeake Oil Company.

- d. Method of recovery to be used:
 - 1. Fluids to be injected.

Range will inject water and associated fluids produced from the Canyon and Cherry Canyon formations.

- 2. Division Order approving the project: not yet
- 2. If the project has not been approved by the Division, provide the date the application with form C-108 was filed:

April 7, 2006 (date application was filed)

- e. Description of the project:
 - 1. A list of producing wells.

See Exhibit "C" for a list of the 14 producing wells in the project area.

2. A list of injection wells.

See Exhibit "D" for a list of the 6 injection wells, including unorthodox well locations, in the project area.

- 3. Capital cost of additional facilities: estimated \$ 420M
- 4. Estimated total project Costs: estimated \$5.415MM
- 5. Estimated total value of incremental production to be recovered from the project. \$30MM
- 6. Anticipated injection commencement date: July 1, 2006

NMOCD Amended Application Range Resources New Mexico, Inc. Page 3

- 7. Type of fluid injected and volume:
 - a. Produced (Brushy Canyon and Cherry Canyon formations) water
 - b. Anticipate injection volumes: not to exceed 5,000 bwpd

f. Production data: Provide graphs, charts and other supporting data to show the production history and production forecast of oil, gas, casinghead gas and water from the project area.

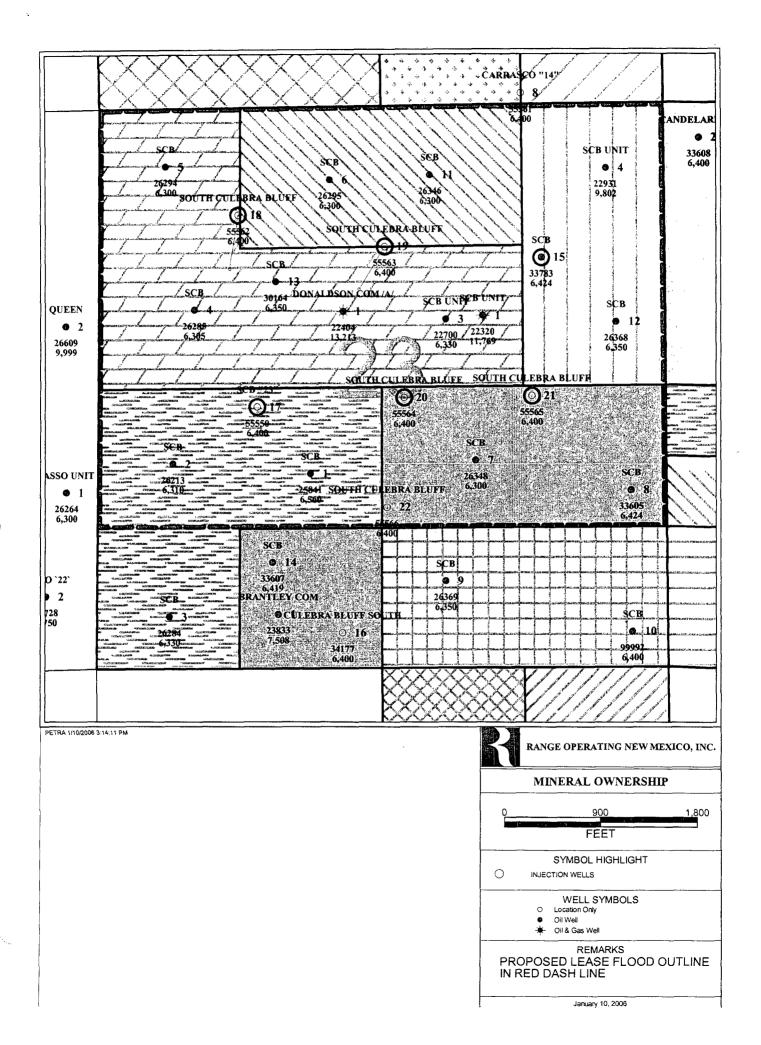
See Exhibit "E" attached

(7) A copy of this application including notice of hearing will be send to all mineral interest owners, including royalty and overriding royalty owners, within Section 23, as set forth on Exhibit "F" attached.

Wherefore, Applicant requests that this application be set for hearing and that after said hearing, the Division enter its order approving this application.

lly submitted. Respectiv

W. Thomas Kellahin Kellahin & Kellahin P. O. Box 2265 Santa Fe, NM 87504 Attorney for Applicant



KELLAHIN & KELLAHIN Attorney at Law

W. THOMAS KELLAHIN TELEPHONE 505-982-4285 FACSIMILE 505-982-2047 **KELLAHIN@EARTHLINK.NET**

P.O. Box 2265, SANTA FE, NEW MEXICO 87504 117 NORTH GUADALUPE, SANTA FE, NEW MEXICO 87501

OIL CONSERVATION DIVISION

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Case 13705 Exhibit No.-

Submitted By: Range Operating Hearing Date: June

May 16, 2006

HAND DELIVERED

Mr. Mark E. Fesmire, Director Oil Conservation Division 1220 South Saint Francis Drive Santa Fe. New Mexico 87505

Re: NMOCD Case 13705 (continued and readvertised) East Loving-Delaware Leasehold Waterflood Project ទ Amended Application of Range Operating New Mexico, Inc. for approval of its East Loving-Delaware Leasehold Pilot Waterflood project, including six injection wells and unorthodox well locations and qualification of the Project Area for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act Eddy County, New Mexico

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NMOCD Amended Application Range Resources New Mexico, Inc. Page 3

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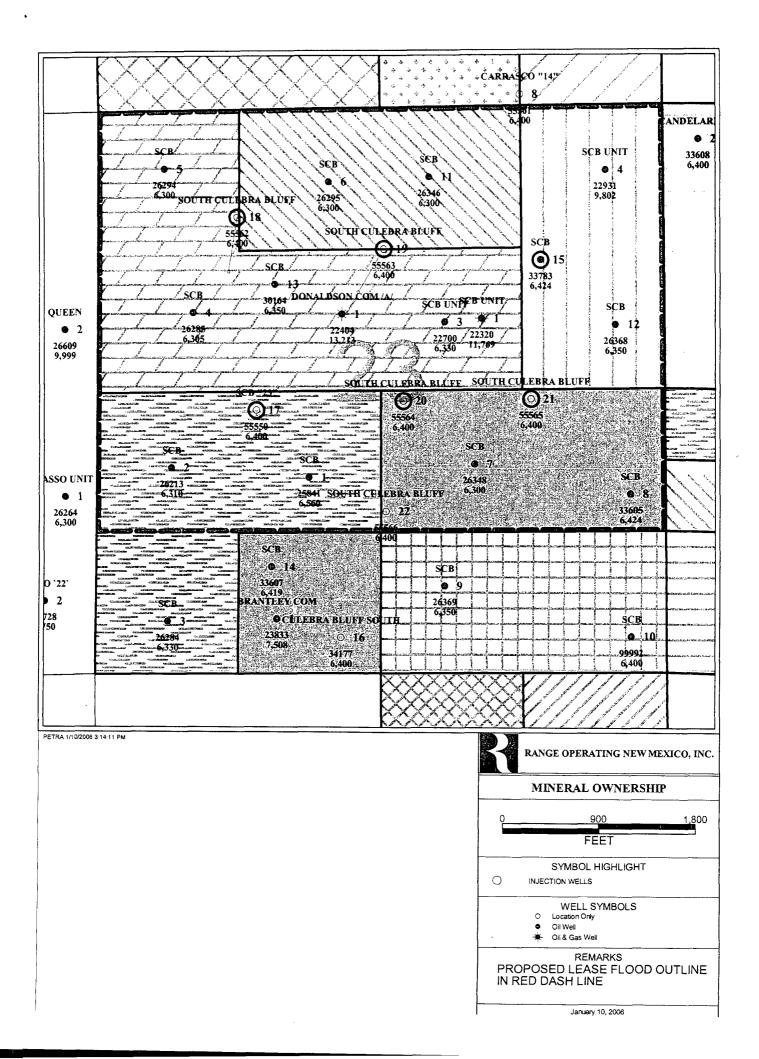
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Wherefore, Applicant requests that this application be set for hearing and that after said hearing, the Division enter its order approving this application.

ally submitted. Respect

W. Thomas Kellahin Kellahin & Kellahin P. O. Box 2265 Santa Fe, NM 87504 Attorney for Applicant

> NMOCD Amended Application Range Resources New Mexico, Inc. Page 4



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

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 UNORTHODOX WELL LOCATIONS AND QUALIFICATION OF THE PROJECT AREA FOR THE RECOVERED OIL TAX RATE PURSUANT TO THE ENHANCED OIL RECOVERY ACT. EDDY COUNTY, NEW MEXICO.

CASE NO. 13705 OIL CONSERVATION DIVISION

UN JOS EXHIBIT NO

Submitted BY.

Submitted by sating 8. Range nate: June 8.

Hearing Date: June

CERTIFICATE OF MAILING AND **COMPLIANCE WITH ORDER R-8054**

STATE OF NEW MEXICO)

) SS.

COUNTY OF SANTA FE)

W. Thomas Kellahin, being first duly sworn, hereby certifies that he is an attorney for the Applicant and responsible for notification in this matter and that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on May 15, 2006, he caused to be mailed by certified mail return-receipt requested the attached amended notice of this hearing and a copy of the amended application for the above referenced case, at least twenty days prior to the hearing of this case set for June 8, 2006 to the parties shown in said application and as evidenced by the attached copies of return receipt cards and/or receipts of certified mailing, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule

Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 30th day of May 2006, by W. Thomas Kellahin

Lynda Kellahin, Notary Public My Commission Expires: June 18, 2008



KELLAHIN & KELLAHIN Attorney at Law

W. THOMAS KELLAHIN TELEPHONE 505-982-4285 FACSIMILE 505-982-2047 KELLAHIN@EARTHLINK.NET

May 15, 2006

P.O. Box 2265, Santa Fe, New Mexico 87504 117 North Guadalupe, Santa Fe, New Mexico 87501

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

TO: SUPPLEMENTAL NOTICE OF THE HEARING OF THE FOLLOWING NEW MEXICO OIL CONSERVATION DIVISION CASE:

RE: CASE 13705: (continued and readvertised) Application of Range Operating New Mexico, Inc. for approval of its East Loving-Delaware Leasehold Pilot Waterflood Project including six injection well to be located at unorthodox well locations and to qualify this project for the recovered oil tax credit rate pursuant to the "New Mexico Enhanced Oil Recovery Act" Eddy County, New Mexico

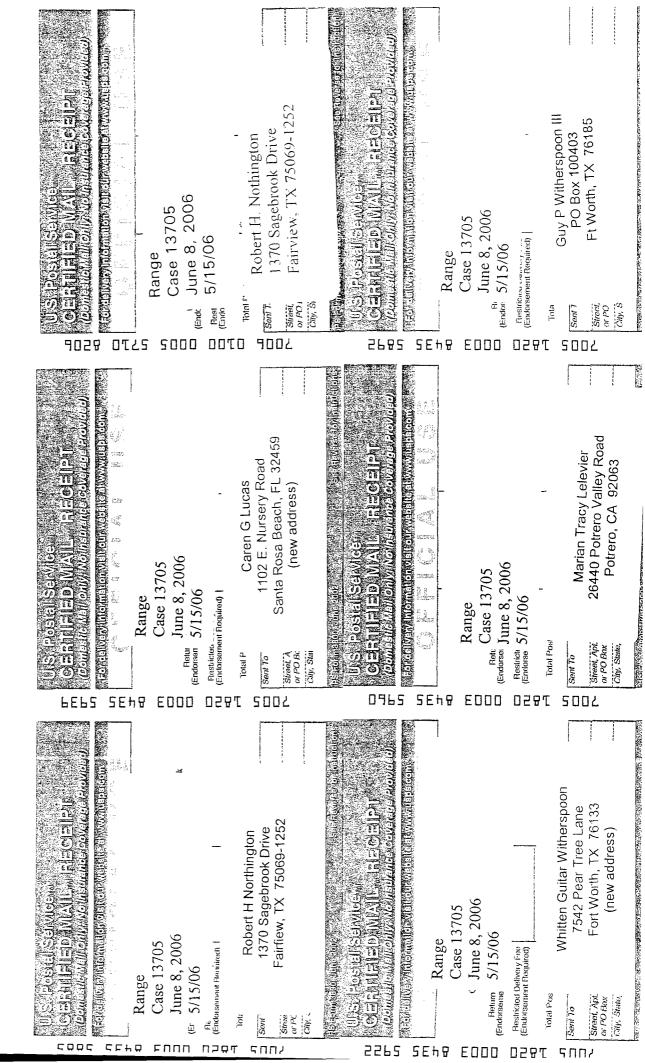
Dear Interest Owner or Offsetting Operator:

Previously you were sent a notice of this matter. In order to correct certain errors with that notice, this is a supplemental notice with an enclosed corrected summary of the application for this case. This case was heard by the New Mexico Oil Conversation Division ("Division") at a hearing held on May 11, 1006 and then continued to start at 8:15 am on June 8, 2006. You are not required to attend this hearing, but failure to appear at the hearing and become a party of record will preclude you from challenging the matter at a later date. The hearing will be held at the Division hearing room located in the Pinon Building, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87502 (phone 505-472-3458).

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Pursuant to Division Rule 1208.B, you are further notified that if you desire to appear in this case, then you are required to file a Pre-Hearing Statement with the Division not later than 5:00 PM on Thursday, June1, 2006, with a copy delivered to the undersigned. This statement must include: the names of the parties and attorneys; a concise statement of your position in this case; the names of all witnesses you will call to testify at the hearing, the approximate time you will need to present your case and identification of any procedural matters that area to be resolve prior to the hearing. If you have any questions please call Robert Ebeier, Range Operating New Mexico, Inc. (817) 810-1987

Very truly yours,

W. Thomas Kellahin



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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A Signature A Signature Agent	 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. 	A Signature
a Atta Atta or c Marilyn Guitar Galusha PO Box 1438 Abilene, TX 79604	Received by (<i>Printed Name</i>) C. Date of Delivery Will W//W/のA//((名/M)		
	Range		Lange Case 13705
	3705 , 2006		June 8, 2006 5/15/06
			4. Bestricted Delivent's traus
. Article Number (Transfer from service label)	7005 1.820 0003 &435 5984	2. Article Number (Transfer from service label)	7005 1820 0003 8435 5977
'S Form 3811, February 2004 Domes	Domestic Return Receipt 102595-02-M-1640	PS Form 3811, February 2004 Domestic	Domestic Return Receipt 102595-02-M-154
UDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Jomplete items 1, 2, and 3. Also complete iem 4 if Restricted Delivery is desired.	A. Signature	 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print Waitr name and addimentant of the complete 	A. Signature Agent
so the so that Atta Atta Cynthia Fay Lee or o 103 Hedgerow Lane 1. Artic Yorktown, VA 23693-3341	Received by (<i>Printed Name</i>) C. J S. <i>J. J. J</i>	 act so and and and and and and and and and and	Received by <i>Printed Namely</i> C. Date of Deliver A A A A A A A A A A
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³ S Form 3811. February 2004 Domes	Domestic Return Receipt 102595-02-M-1540	PS Form	245-M-144

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ENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address is desired. Print your na	ION COMPLETE THIS SECTION ON DELIVERY complete A. Signature complete A. Signature ired. X attend. X codswed by (Primted Namp) C. Parkent bods C. Parkent codswed by (Primted Namp) C. Parkent for the following address different foon item 1? D. States 79604 YES, enter delivery address below.	 SENDER: COMPLETE THIS:SECTION SENDER: COMPLETE THIS:SECTION Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse tem 2 or the Mary Guitar Polk Estate or or or Dames Polk, Trustee/Executor POIN 1. Article Article Article Abilene, TX 79608-7366 	COMPLETE THIS SECTION ON DELIVERY A. Signature A. Signat
	II Range Case 13705 June 8, 2006 5/15/06	×	Hange Case 13705 June 8, 2006 5/15/06 andise
Article Number (Transfer from service label)	2008 2100 2002 2210 8022		7005 1820 0003 8435 6172
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Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Prin	A. Signature A. Surger		A. Signature, A Agent
Atts Repps Bedford Guitar Jr or c PO Box 7252 Artic Abilene, TX 79608	Guitar Jr Received by (<i>Printed Name</i>) C. Date of Delivery 252 252 is delivery address different from item 1? \Box Yes 79608 If YES, enter delivery address below: \Box No	ery so I Atta John Guitar III or o 1234 Leggett Drive 1. Artic Abilene, TX 79605	Bedelved by (Printed Name) C. Date of Delivery CHAL CALL CHAL CALL State State State State State State State State State State CHAL Call State State
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Att Catherine Gall Parker	Received by (Printed Name) C. Date of Delivery	 Barbara Lee Backman Inc 4407 N Division, Suite 900 	B. Repéred of (Printed Name) C. Date of Deliver,
- Arti - 37,21 Pallos Verdas Urive . Arti - Dallas, TX 75229	Is delivery address different from item 1? □ Yes If YES, enter delivery address below: □ No	1. Spokane, WA 99207-1696	D. Is delivery address different from item 1? □ Yes If YES, enter delivery address below: □ No
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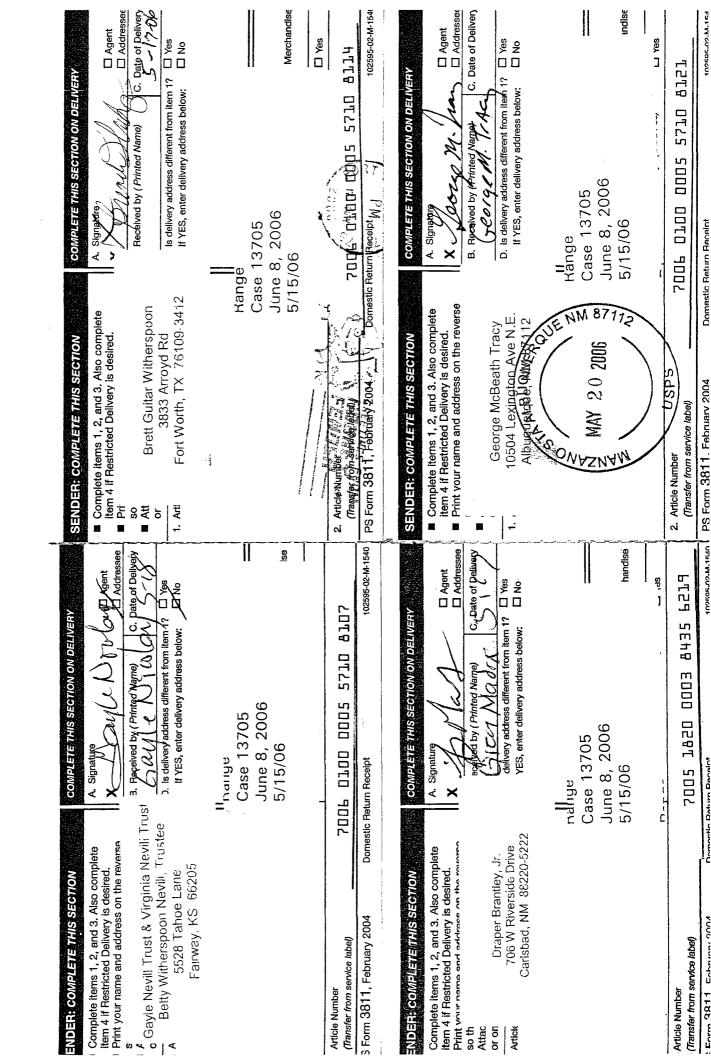
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BEFORE THE OIL CONSERVATION DIVISION

Case 13705 Exhibit No._ Submitted By: *Range Operating* Hearing Date: June 8, 2006

AFFIDAVIT OF PUBLICATION

Ad No. 53463

STATE OF NEW MEXICO County of San Juan:

CONNIE PRUITT, being duly sworn says: That she is the ADVERTISING MANAGER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Tuesday, May 16, 2006.

And the cost of the publication is \$147.62.

ON 5/19/06 CONNIE PRUITT appeared before me, whom I know personally to be the person who signed the above document.

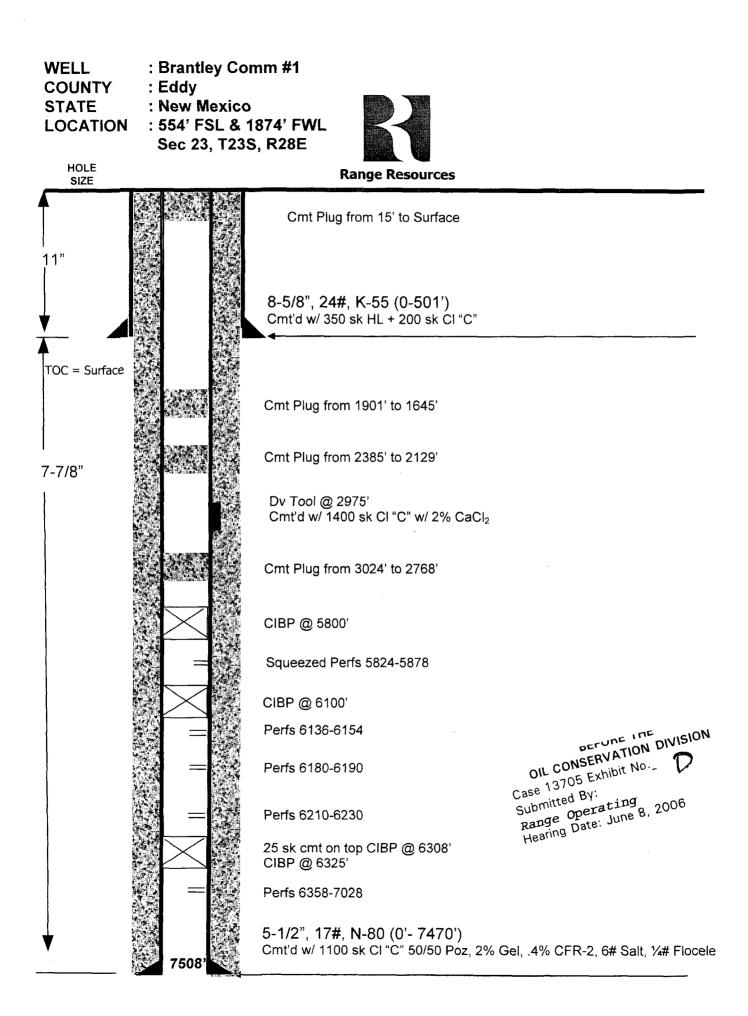
Commission Expires November ት7. 2008.

COPY OF PUBLICATION 918 Legals NOTICE OF PUBLICATION STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO The State of New Mexico through its Oil Conservation Division hereby gives no-tice pursuant to law and the Rules and Regulations of the Division of the follow-ing public hearing to be held at 8:15 A.M. on June 8, 2006, in the Oil Conser-vation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before on examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, gulified sign language inter-preter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by June 1, 2006. Public docu-ments including the agenda and minutes; can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessi-ble form is needed. STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following cases and notice to the public. (NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.) • CASE: 13705: (Continued and readvertised) Application of Range Operating New Mexico, Inc. for approval of its East Loving-Delaware Leasehold pilot wa-terflood project including six injection wells to be located at unorthodox well lo-cations and qualification of the Project Area for the Recovered Oil Tax rate pur-suant to the Enhanced Oil Recovery Act, Eddy County, New Mexico. Applicant seeks approval of its East Loving-Delaware Leasehold Pilot 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 FNL (Unit A) Section 23, T235, 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 fol-1430 feet FNL and 1150 feet FEL (Unit H) 2440 feet FSL and 1500 feet FWL (Unit K) Surface: 1815 feet FNL and 1200 feet FWL (Unit E) SCB 23-15 Well SCB 23-17 Well SCB 23-18 Well FWL (Unit F) Bottomhole: 1300 feet FWL and 1000 feet FNL (Unit D) Surface: 1950 feet FNL and 2470 feet FWL (Unit F) • Bottomhole: 2620 feet FEL and 1300 feet FNL (Unit F) 2520 feet FSL and 2460 feet FEL (Unit J) 2531 FSL and 1252 FEL (Unit I) SCB 23-19 Well . . SCB 23-20 Well SCB 23-21 Well within the following described 480 acre area: 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: K/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 pro-ject for the recovered oil tax rate for enhanced oil recovery. Applicant requests that the Division establish procedures for the administrative approval of addi-tional injection wells within the unit area without the necessity of further hear-ings and the adoption of any provisions necessary for such other matters as may be appropriate for the waterflood operations. This Unit is located approxi-mately 2 miles East of Loving, New Mexico. Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 12th day of May 2006.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Mark E. Fesmire, P.E., Director

Legal No. 53463 published in The Daily Times, Farmington, New Mexico on Tuesday, May 16, 2006.



Range Propose Stipulation 5/17/06 NMOCD Case 13705

() As an accommodation to the objecting parties, Range Operating New Mexico, Inc. as agreed that the following stipulation shall be made a part of the findings of this order:

Range as the operator of the East Loving-Delaware Pilot Leasehold Waterflood Project, upon the written request of John Draper Brantley, Jr. or Claibourne M Power or Will Matthew Brantley, or Merland, Inc. or Johnny Reid (or their heirs, successors or assigns) shall obtain a water analysis for each of the following water sources, but not more frequently than once every two years and provide a copy to the Division and to each of this parties:

(i) SCB water well No. 1, located approximately 3500 feet from the East line and 1300 feet from the North line of Section 23, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico;

(ii) SCB water well No. 2, located approximately 1320 feet from the East line and 720 feet from the North line of Section 23, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and

(iii) SCB water well No. 3, located approximately 850 feet from the West line and 2600 feet from the North line of Section 23, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

OIL CONSERVATION DIVISION Case 13705 Exhibit No.- E Submitted BY: Range Operating Hearing Date: June 8, 2006