OCD-HOBBS

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160 - 3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

5. Lease Serial No.
LC-032573-B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Elliott B Federal #16

2. Name of Operator **Range Operating New Mexico, Inc.**

9. API Well No.
30-025-37675

3a. Address
777 Main St., Ste. 800, Fort Worth, TX 76102

3b. Phone No. *(include area code)*
817-810-1916

10. Field and Pool, or Exploratory Area
Pen-Sk-Grybrg/Eunice SA SW

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1650' FNL & 330' FEL, Sec. 7, T22s, R37E, N.M.P.M.

11. County or Parish, State
Lea

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other **DHC**
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SUBJECT TO LIKE APPROVAL BY STATE

Application for Downhole Commingle

(i)	**Pool Names:**	**Penrose-Skelly Grayburg**	**Eunice; San Andars, Southwest**
(ii)		**3720 - 3809**	**3886 - 3890**
(iii)	**Prod. %**	**90% oil, 50% gas, 90% wtr**	**10% oil, 50% gas, 10% wtr**

(iv) The downhole commingling of oil & gas from the Penrose-Skelly Grayburg and the Eunice; San Andres, Southwest will not reduce the value of the total remaining production.
(v) Method of production will be artifical lift.
(vi) Reference is made to DHC 3629
(vii) Ownership between all pools is identical.
(viii) This is a Federal property.

APPROVED
MAR 29 2006
LES BABYAK
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* **Paula Hale** Title **Sr. Reg. Sp.**

Signature Date **03/22/2006**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Title Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)