District II 1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

State of New Mexico

Form C-101 Permit 43875

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| 1. Ope | rator Name and Address | 2. OGRID Number | | |
|------------------|-------------------------------|-----------------|--|--|
| RANGE OPER | 227588 | | | |
| 1000 | MAIN STREET ORTH, TX 76102 | 3. API Number | | |
| F1 W | ORTH, 12 70102 | 30-015-35334 | | |
| 4. Property Code | 5. Property Name | 6. Well No. | | |
| 300270 | SOUTH CULEBRA BLUFF 23 | 018 | | |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| E | 23 | 23S | 28E | E | 1833 | N | 1052 | W | EDDY |

8. Pool Information

| LOVING BRUSHY CANYON, EAST | 40350 |
|---------------------------------|-------|
| po inio pitobili omitori, pitor | 10000 |

Additional Well Information

| | 961 | | I MANUAL III III | · IIIIOIIIII | | (16) | |
|---|--------------------------|---------------|-----------------------------|--------------------|---------------------------------|---|--|
| 9. Work Type New Well | 20000000 | il Type IL | 11. Cable/Rotar | у | 12. Lease Type Private | 13. Ground Level Elevation 3032 18. Spud Date | |
| 14. Montiple N | 15. Prop | osed Depth | 16. Formatio Brushy Cany | 333 | 17. Contractor | | |
| Depth to Groun 75 | Depth to Ground water 75 | | | t fresh water well | | Distance to nearest surface water | |
| <u>it:</u> Liner: Synthetic Closed Loop Syst | em 🛮 | mils thick | Clay Pit Volume: | | ling Method: h Water Brine I | Diesel/Oil-based Gas/Air | |

19. Proposed Casing and Cement Program

| Туре | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 12.25 | 8.625 | 24 | 570 | 350 | 0 |
| Prod | 7.875 | 5.5 | 15.5 | 6400 | 1670 | 0 |

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

| Туре | Working Pressure | Test Pressure | Manufacturer | | |
|-----------|------------------|---------------|--------------|--|--|
| DoubleRam | 3000 | 3000 | SCHAFFER | | |

| I hereby certify that the information g of my knowledge and belief. I further certify that the drilling p | iven above is true and complete to the best it will be constructed according to | OIL CONSERVATION DIVISION | | | | | |
|---|---|---------------------------------|-----------------------------|--|--|--|--|
| | ermit , or an (attached) alternative | Approved By: Bryan Arrant | | | | | |
| Printed Name: Electronically f | iled by Linda Stiles | Title: Geologist | | | | | |
| Title: Sr Engineering Tech | | Approved Date: 12/28/2006 | Expiration Date: 12/28/2007 | | | | |
| Email Address: lstiles@ranger | esources.com | 0.47226 | 6.2 2.3 | | | | |
| Date: 12/28/2006 | Phone: 817-810-1908 | Conditions of Approval Attached | | | | | |

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

<u>District III</u>

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Form C-102 Permit 43875

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1757.7 | ma ao ellitori la la litera | | | | | |
|------------------|-------------------------------------|------------------------|--|--|--|--|
| 1. API Number | 2. Pool Code | ool Name | | | | |
| 30-015-35334 | 40350 LOVING;BRUSHY CANYON, EAST | | | | | |
| 4. Property Code | 5. Property | 6. Well No. | | | | |
| 300270 | SOUTH CULEBR | SOUTH CULEBRA BLUFF 23 | | | | |
| 7. OGRID No. | 8. Operator | 9. Elevation | | | | |
| 227588 | RANGE OPERATING NEW MEXICO INC 3032 | | | | | |

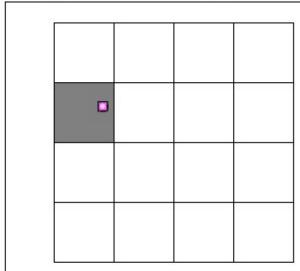
10. Surface Location

| | | | | | | | | | | _ |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|---|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |] |
| E | 23 | 23S | 28E | | 1833 | И | 1052 | w | EDDY | l |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section | Т | ownship | Range | Lot | Idn | Feet From | N/S L | ine | Feet From | E/W Line | County |
|------------|-------------|---|---------|-----------------|-----|-----|-------------------|-------|-----|-----------|---------------|--------|
| 0.755.0755 | cated Acres | | 13. 3 | Joint or Infill | | 14 | . Consolidation (| Code | | | 15. 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



OPERATOR CERTIFICATION

I hereby certify that the information contained 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(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Linda Stiles Title: Sr Engineering Tech Date: 12/28/2006

SURVEYOR CERTIFICATION

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.

and correct to the best of my belief. Surveyed By: Gary Eidson

Date of Survey: 12/12/2006 Certificate Number: 12641

Permit Conditions of Approval Operator: RANGE OPERATING NEW MEXICO INC , 227588 Well: SOUTH CULEBRA BLUFF 23 #018

API: 30-015-35334

| OCD Reviewer | Condition |
|-----------------|--|
| BArrant | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |
| BArrant | As noted, operator to drill surface hole with fresh water mud. |
| BArrant | Operator to submit a h2s well contingency plan providing area meets requirements of NMOCD Rule 118. If this area does not fall under the requirements operator is to submit a letter of statement. |
| BArrant | Operator to submit a detailed cementing and mud program before well is spudded. |