

ABOVE THIS LINE FOR DIVISION USE ONLY

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



*Rangel*  
 PC-1204

**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

*Paula Hale*  
 Signature

Sr. Reg. Sp.  
 Title

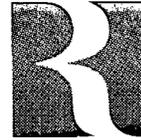
9-22-08  
 Date

phale@rangeresources.com  
 e-mail Address

2008 SEP 22 AM 10 05  
 RECEIVED

RECEIVED

September 17, 2008 2008 SEP 18 AM 10 16



RANGE RESOURCES

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

Re: Surface & Pool Commingling Application  
Federal Lease NM89872 (OCD 301548), Wells #1, #2 and #1-17 #3  
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 – Plats showing locations of wells
- f) Exhibit 4 & 5 – Schematic diagrams and descriptions
- g) Exhibit 6 – Volume Contribution Per Well
- h) Copy of Bureau of Land Management Form 3160-5

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

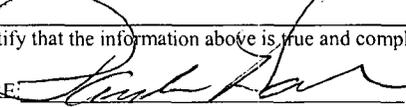
(1) Complete Sections A and E.

**(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.

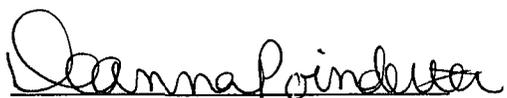
**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

(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.

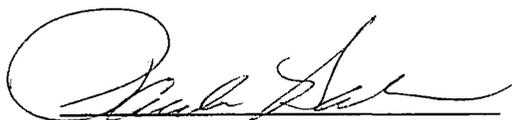
I hereby certify that the information above is true and complete to the best of my knowledge and belief.  
SIGNATURE:    TITLE: Sr. Reg. Sp.   DATE: 9-27-2008  
TYPE OR PRINT NAME Paula Hale   TELEPHONE NO.: 817-869-4216  
E-MAIL ADDRESS: phale@rangeresources.com

**STATEMENT OF NOTIFICATION  
FEDERAL LEASE  
NM 89872/OCD 301548  
SURFACE & POOL COMMINGLING**

A copy of the BLM Form C 3610-5 and 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

**FEDERAL LEASE NM89872/301548  
INTEREST OWNER LIST**

Bureau of Land Management  
1474 Rodeo Road  
Santa Fe, NM 87505

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

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

EXHIBIT 1

Lease Name & Number	API #	FEDERAL LEASE #	OCD LEASE CODE #	LOCATION	Unit-Sec-Twn-Rng	Pool	OCD Pool #
Federal #1	30-025-26304	NM 89872	301548	2310' FSL & 2310' FWL	K-17-22S-37E	Eumont Yates SRQ	22800
Federal 1-17 #3	30-025-38550	NM 89872	301548	1650' FSL & 2310' FWL	K-17-22S-37E	Drinkard	19190
						Wantz; Abo	62700

DISTRICT I  
1625 N. FRINCH DR., HOBBS, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-38550	Pool Code	Pool Name
Property Code 301548	Property Name FEDERAL 1-17	Well Number 3
OGRID No. 227588	Operator Name RANGE RESOURCES	Elevation 3387'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	17	22-S	37-E		1650	SOUTH	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>GEODETTIC COORDINATES NAD 27 NME</p> <p>Y=507135.4 N X=854264.1 E</p> <p>LAT.=32.389005° N LONG.=103.185687° W</p>	<p>OPERATOR CERTIFICATION</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>SURVEYOR CERTIFICATION</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> </p> <p>Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 1  
Supersedes Form 1  
Effective 1-1-78

30-025-26304

All acreage must be from the Outer Boundaries of the Section

Zia Energy, Inc.

Federal

K

17

22 South

37 East

Lea

2310

South

2310

West

3386.7

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership interest (both oil & working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, lease-pooling, etc.?
 

Yes  No If answer is "Yes" type of consolidation \_\_\_\_\_

If answer is "No," list the owners and tract descriptions which have actually been consolidated (if so reverse side of this form if necessary) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated by communitization, unitization, forced-pooling, or otherwise or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

M. F. Nelson

Engineer

Zia Energy, Inc.

3/29/79

I hereby certify that the well location shown on this plat was located from field notes of actual surveys made by me or under my supervision, and that the same are true and correct to the best of my knowledge and belief.

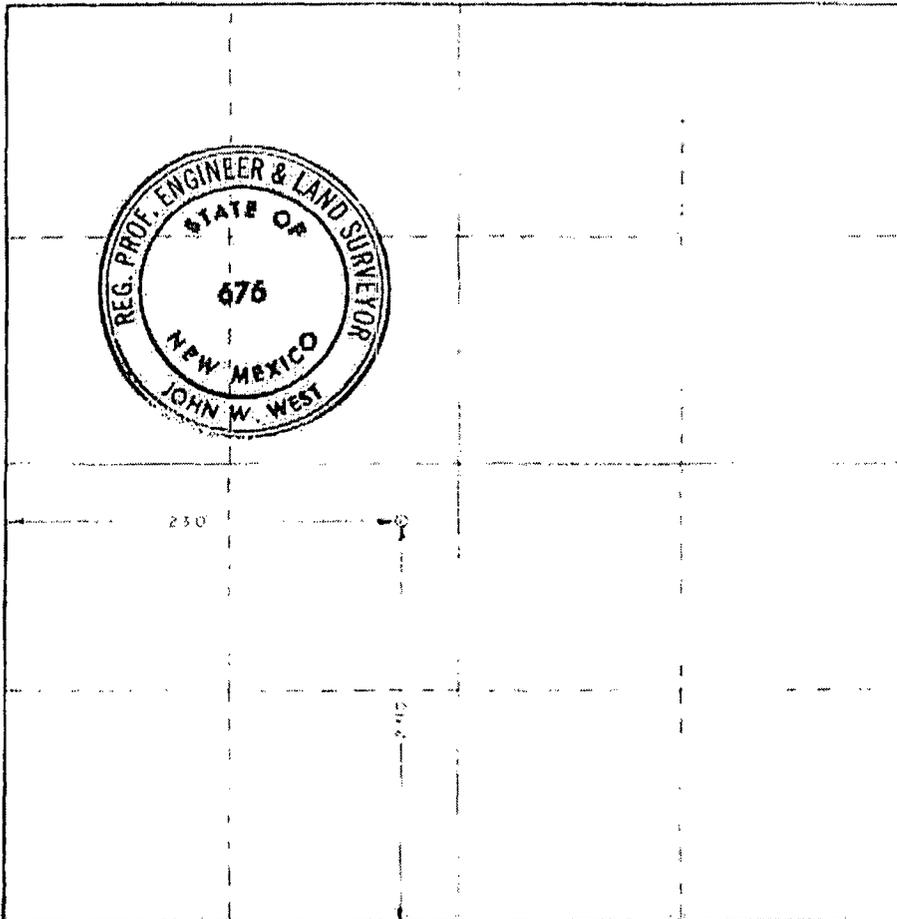
March 15, 1979

\_\_\_\_\_  
William West

*William West*

William West 676

Ronald J. Eidson 5239





Range Operating New Mexico, Inc.  
Federal #1 & 1-17 #3 BATTERY  
Eunice, NM

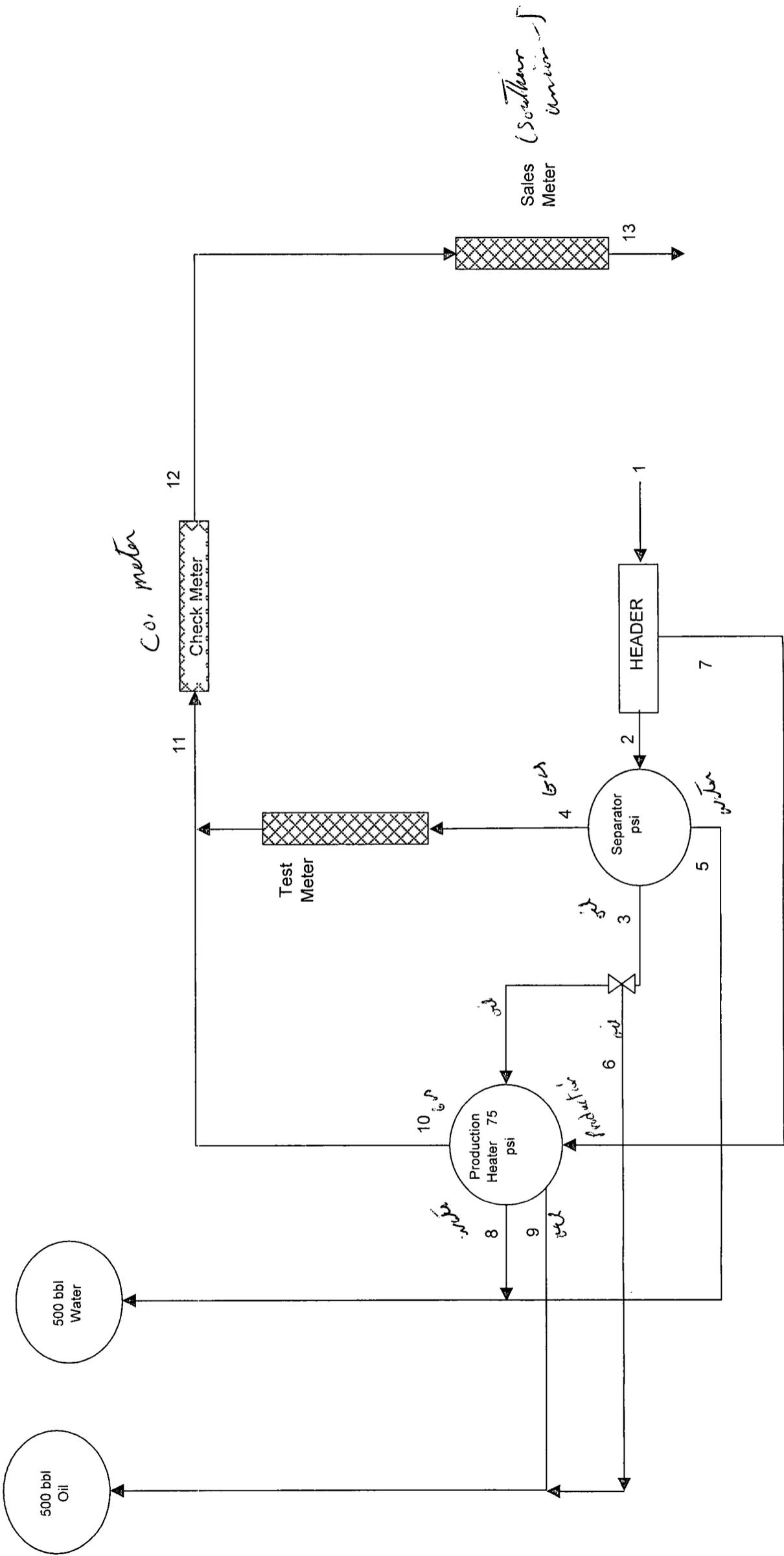


EXHIBIT 4



Range Operating New Mexico, Inc.  
Federal #1 & 1-17 #3 BATTERY  
Eunice, NM

**Line Description**

- 1 - Gas, Oil, and Water coming in from the Federal #1 and the Federal 1-17 #3
- 2 - Gas, Oil, and Water from one or both wells going through the Separator
- 3 - Oil exiting the separator and going to the heater if both wells are going to Production, Oil exiting to Oil Tanks via the valve connected to line #6 if one well is going through the Heater and one well through the separator for testing.
- 4 - Gas exiting the separator going through the Test meter
- 5 - Water exiting the separator going to the tank
- 6 - Oil from the separator going to the oil tanks (through an oil meter) with one well on Test
- 7 - Gas, Oil, and Water from one well going through Production through the Heater while the other well goes through the separator for Test
- 8 - Water exiting the heater going to the tank
- 9 - Oil exiting the heater going to the tank (through an oil meter)
- 10 - Gas exiting the heater going to the check meter
- 11 - Gas combined from the heater and separator (and during the testing, gas combined from the well on Test and the well on Production)
- 12 - All gas commingled through company owned check meter
- 13 - All gas commingled through Southern Union (gatherer) owned sales meter

**EXHIBIT 6**  
**FEDERAL LEASE**  
**Volume Contribution Per Well**

Lease Name	OCD/BLM Lease Code	Well No.	BOPD	MCFPD	Gravity	BTU Content @ 14.73	BTU Content @ 15.025
Federal	301548/NM89872	1	1	5	0.734	0.9990	0.9794
Federal 1-17	301548/NM89872	3	43	164	0.735	1.227	1.2029

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB 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.**

1. Type of Well  
 Oil Well     Gas Well     Other

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

3a. Address  
**100 Throckmorton St., Ste. 1200, Fort Worth, TX 76102**

3b. Phone No. (include area code)  
**817-869-4216**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**2310' FSL & 2310' FWL, Unit K, Sec. 17, 22S, 37E**  
**1650' FSL & 2310' FWL, Unit K, Sec. 17, 22S, 37E**

5. Lease Serial No.  
**NM 89872**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**Federal #1 and Federal 1-17 #3**

9. API Well No.  
**30-025-26304; 30-025-38550**

10. Field and Pool, or Exploratory Area  
**Eum. Yates SRQ-Drinkard-Wantz Abo**

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			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Surface Commingle</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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.)

**Due to the Federal #1 and Federal 1-17 #3 having different interest owners, Range Operating New Mexico, Inc. requests to surface commingle the two wells. Both wells are in the same 40 acre unit and the same lease. The production from the Federal 1-17 #3 will be run through the test facilities every month in order maintain accurate allocation of volumes.**

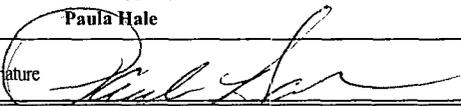
**Please review attached OCD form C-107B, Application for Surface Commingling (Diverse Ownersip), and technical data.**

14. I hereby certify that the foregoing is true and correct  
 Name (Printed/Typed)

**Paula Hale**

Title **Sr. Reg. Sp.**

Signature



Date

**09/17/2008**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

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.

Title

Date

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)