

**SUPPLEMENT TO DOCKET: EXAMINER HEARING - THURSDAY – JULY 6, 2006**

**8:15 A.M. - 1220 South St. Francis**

**Santa Fe, New Mexico**

Docket Nos. 24-06 and 25-06 are tentatively set for July 20, 2006 and August 3, 2006. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following Case will be heard by an Examiner.

**CASE: 13705: (Re-Opened) 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 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, 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 B)  
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/2 NW/4; SE/4 NW/4 and SW/4 NE/4 (160 acres)

Tract 2: NE/4 NW/4 and NW/4 NE/4 (80 acres)

Tract 3: E/2 NE/4 (80 acres)

Tract 4: N/2 SW/4 (80 acres)

Tract 5: N/2 SE/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.

# Affidavit of Publication

NO. 19303

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The

Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and county and state, and that the here to attached

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was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutiv week/days on the same

day as follows:

First Publication June 15 2006

Second Publication

Third Publication

Fourth Publication

Subscribed and sworn to before me this

23rd Day June 2006

Barbara Ann Boans  
Notary Public, Eddy County, New Mexico

My Commission expires September 23, 2007

## Copy of F

### LEGAL NOTICE

#### SANTA FE, NEW MEXICO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on July 6, 2006, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, 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 29, 2006. OCD Rule 1211.B requires parties to file pre-hearing statements by the close of the business day on Thursday, June 29, 2006. Public documents including the agenda and minutes can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible 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:  
(Re-Opened) 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 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

### LEGAL NOTICE

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)  
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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.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 14th day of June 2006.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
Mark E. Fesmire, P.E.,

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Director

Published in the Artesia Daily Press, Artesia, N.M. June 15, 2006.

Legal 19303

BEFORE THE  
OIL CONSERVATION DIVISION

Case 13705 Exhibit No. AA

Submitted By:

Range Operating

Hearing Date: July 6, 2006

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